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ESTABLISHING A MOTOR CARRIER ADMINISTRATION WITHIN THE DEPARTMENT OF TRANSPORTATION

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

S. 747

A BILL TO ESTABLISH A MOTOR CARRIER ADMINISTRATION IN THE DEPARTMENT OF TRANSPORTATION

APRIL 13, 1988

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CONTENTS

OPENING STATEMENTS

	Page
Burdick, Hon. Quentin N., U.S. Senator from the State of North Dakota	1
Pressler, Hon. Larry, U.S. Senator from the State of South Dakota	27
Symms, Hon. Steve, U.S. Senator from the State of Idaho	4
Warner, Hon. John W., U.S. Senator from the State of Virginia	27

WITNESSES

Donohue, Thomas J., president and chief executive officer, American Trucking Associations	22
Written statement	47
Farris, Robert E., Deputy Administrator, Federal Highway Administration	2
Gershaneck, Glenn M., Executive Assistant, Vermont Agency of Transportation	15
Henderson, Richard D., executive vice president, Private Truck Council of America	30
Written statement	66
Innocenzi, Robert A., Deputy Commissioner, New Jersey Department of Transportation	18
Kiebert, Kermit V., Director, Transportation Department, State of Idaho	14

ADDITIONAL MATERIAL

Motor Carrier Activities of the Federal Highway Administration	33
S. 747	86
Statements:	
Office of Technology Assessment	70
American Bus Association	73
National Academy of Public Administration	75
Regular Common Carrier Conference	77

ESTABLISHING A MOTOR CARRIER ADMINISTRATION WITHIN THE DEPARTMENT OF TRANSPORTATION

WEDNESDAY, APRIL 13, 1988

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 9:33 a.m., in room 406, Dirksen Senate Office Building, Hon. Quentin N. Burdick (chairman of the committee) presiding.

Present: Senators Symms, Durenberger, Chafee, Stafford, Warner, and Pressler.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. Today the Committee on Environment and Public Works begins consideration of S. 747, a bill to establish a separate Motor Carrier Administration within the Department of Transportation.

The Federal Highway Administration is responsible for many of the functions that would become the responsibility of the new agency. This committee has jurisdiction over the FHWA and long-standing oversight responsibilities for the highway program, in particular the safe construction and maintenance of the Federal-aid highway system. The committee is properly concerned with all classes of motor vehicles and their impacts on the Federal-aid highway system.

Late last year the Committee on Commerce, Science, and Transportation reported S. 747. While we recognize the Commerce Committee's interest in the safety aspects of legislation affecting the motor carrier industry, it is important for the Environment and Public Works Committee to continue to carry out its responsibilities.

The purpose of the proposals to establish a separate Motor Carrier Administration is to increase the focus on effective motor carrier safety, enforcement, research, and programs related to the motor carrier industry within the DOT. According to some groups, it had been lacking in the past. The motor carrier industry represents an important economic force and major highway user group in this country. Forty million trucks traveled an estimated 520 billion miles on our Nation's highways during 1986. Last year they hauled 2.3 billion tons of intercity freight, which was over 40 percent of the Nation's total. The trucking industry in total generated

an estimated $223 billion in revenue during 1987. Certainly there needs to be a strong emphasis on trucking concerns within transportation departments at the Federal, as well as State and local levels of government.

The FHWA recognized these concerns and has attempted to address them by upgrading its motor carrier functions through a reorganization and the appointment of an associate administrator to head the Office of Motor Carriers. In many cases a move of this nature allows an organization to better allocate its resources and to prove a better focus for its activities. We must determine if a new agency is even needed before we go ahead and create one.

We must also look at the pros and cons of establishing a tenth agency within the DOT. It would certainly affect other agencies within the Department, require increased personnel, and result in additional costs. The creation of a Motor Carrier Administration could lead to problems in coordinating with existing modal agencies, thereby slowing down the decision-making process or forcing it often to the Secretarial level. How compatible would this agency be with the general structure and management of the Department? Would this organization be more effective in implementing legislation? Will this agency be able to function any better from a Washington headquarters location than the FHWA has from its network of division, regional, and headquarters offices? There are many other questions that must also be considered.

Our witnesses today include Deputy Administrator Farris of the Federal Highway Administration, top officials from three State transportation departments, and representatives of the trucking industry. Additionally, at the request of Senator Stafford and myself, the National Academy of Public Administration and the Office of Technology Assessment will be submitting their views in writing. I am confident that this hearing will enable us to better understand the Motor Carrier Administration proposal. I want to express my appreciation to all our expert witnesses for their participation this morning.

Mr. Farris, you are recognized.

STATEMENT OF ROBERT E. FARRIS, DEPUTY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Mr. FARRIS. Thank you, Mr. Chairman.

I am pleased to have the opportunity to meet with you today to discuss S. 747, a bill to establish a Motor Carrier Administration within the Department of Transportation.

We do not support the enactment of S. 747 because we feel that it is unnecessary and will not enhance DOT's ability to manage motor carrier safety programs.

Creating a separate modal administration would be an expensive and an inefficient means of addressing the Department's motor carrier responsibilities. It would result in four agencies within DOT dealing with motor carrier issues—a motor carrier administration would assume responsibility for regulating motor carrier safety; the National Highway Traffic Safety Administration (NHTSA) would continue to establish vehicle manufacturing standards; the

Federal Highway Administration would continue to establish cost allocation, user fees, and highway operating policies directly affecting motor carriers and all other highway users; and the Research and Special Programs Administration would continue to handle hazardous materials regulations. This would hinder the coordinated planning and implementation of policies associated with motor carrier issues.

Additional staff and resource overhead would be required to support a separate motor carrier administration. GAO has estimated that an additional $2.4 million would be needed annually and a staff increase of 30 would be required to support a Motor Carrier Administration. We believe the needs would actually be higher than that. Regardless, the organizational structure and the day-to-day working relationship with States would not come close to mirroring what occurs now through FHWA's network of regional and division offices located in all the State capitals and in other major cities. Our current organizational arrangement is responsive to the States and compatible with their motor carrier functions.

The current organizational arrangement within the Department provides the appropriate perspective for the Secretary to address the concerns of the motor carrier industry when formulating transportation policy and making decisions affecting the industry. The Secretary relies on the Federal Highway Administration to take the lead in resolving an array of interrelated motor carrier issues, including safety requirements, taxes, cost allocation, commercial drivers licensing, reasonable access, and highway investment. Industry's views are balanced within the broader context of highway needs and the concerns of all highway users.

The FHWA Associate Administrator for Motor Carriers serves as the primary focal point in the DOT for contacts with the motor carrier industry, labor, and shippers on all motor carrier transportation matters. This official is instrumental in proposing new and revised legislation and in developing rules, policies, and procedures to carry out the Department's responsibilities for motor carrier transportation. Through this organizational arrangement, we are providing a high-level point of access within the Department for representatives of the motor carrier industry to express their views on significant motor carrier issues.

As a recent example of the cooperation between FHWA and the industry, I want to point out the efforts of the Associate Administrator for Motor Carriers in implementing the Commercial Motor Vehicle Safety Act of 1986. The FHWA issued regulations on June 1, 1987, to implement the single license requirements. During development of the regulations, FHWA received comments from the industry through the National Motor Carrier Advisory Committee which was created five years ago to get direct industry input in our programs. FHWA staff worked closely with representatives of several trade associations and the States to develop and carry out a public information campaign to advise drivers and employers of their shared responsibilities under the new licensing program and, more specifically, to get drivers to turn in multiple licenses. These efforts are paying off. Moreover, we have laid the foundation for continued cooperation among the industry, the States, and Federal

Highway through the implementation of the commercial driver's license program.

Quite frankly, the transition to a new separate administration could also divert resources and distract the attention of senior managers and staff who are working on important motor carrier safety initiatives such as the commercial driver's license program. We have successfully met the deadlines established by the 1986 act. We will soon establish the clearinghouse on drivers' status, standards for testing and licensing drivers, and blood alcohol concentration level for when a person is deemed to be driving under the influence of alcohol while operating a commercial vehicle. In all candor, the development and implementation of this important program would likely suffer if the Department's motor carrier operations were to go through a major organizational restructuring.

There are significant advantages to keeping the motor carrier transportation program under Federal Highway. FHWA has for many years maintained a close relationship with the States. The FHWA can continue to build upon that relationship as has been done with the Motor Carrier Safety Assistance Program (MCSAP) and the Commercial Drivers License Program (CDL). A separate motor carrier administration could never duplicate Federal Highway Administration's field organization.

Mr. Chairman, that concludes my statement, and I will be pleased to answer any of your specific questions.

Senator SYMMS [presiding]. Thank you, very much, Mr. Farris.

Mr. FARRIS. Good morning, Senator Symms.

Senator SYMMS. I look forward to seeing you confirmed in the job that you are now doing.

Mr. FARRIS. Thank you, sir.

Senator SYMMS. Before I start the question period, Chairman Burdick asked me to extend his best wishes to you. He had to leave to chair an Appropriations Subcommittee meeting. He is interested in this subject, but is unable to be in two places.

Mr. FARRIS. I understood that, sir.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. I also want to express my thanks to the Chairman for the courtesy he has extended to me in scheduling this hearing on the Motor Carrier Administration proposal, at my request. I believe that this committee has oversight responsibility for the Federal Highway Administration and the Federal-aid highway program.

This issue is an important one for us to review. S. 747 was reported by the Commerce, Science, and Transportation Committee on December 17th. On December 4th, the Chairman and Senator Stafford wrote a letter to Senator Hollings and Senator Danforth requesting sequential referral so that we could review the areas within our jurisdiction.

I am pleased that we have scheduled this hearing even though there has not been a response to the committee's request. I believe it is very important that the committee review this proposal because of the potential impact on the Federal-aid highway program.

Today there are tremendous problems for motor carriers trying to move goods around the country. I would remind my colleagues that trucks haul over 77 percent of the dollar value of all the freight carried in the United States. I am not convinced, however,

that creating another Federal bureaucracy will solve the truckers' problem.

The Federal Highway Administration, as Mr. Farris has testified, has consolidated its motor carrier programs under a single associate administrator. That was done in 1985. Federal Highways has given greater attention to motor carrier issues during the past few years and it has improved the coordination and efficiency of the program. FHWA is a top-notch Federal agency with substantial resources already in place that can benefit the trucking industry. FHWA personnel are already located in regional and district offices in every State. They are familiar with the State officials and responsible for programs and regulations with respect to trucks and they know the State leaders in the trucking industry. They are in the field now working for a safer, smoother flow of commerce from the producing States to the big consumer markets.

To duplicate this system would be inefficient and costly. In addition, I believe it would be a mistake to place the truck safety program in one agency while highway design and construction standards remain in another. These issues are inseparable. Our engineers need to design highways and bridges with the needs of interstate commerce in mind. FHWA has the technical expertise to consider these issues and administer the related programs.

I want to thank the Chairman again for providing us with an opportunity to discuss these issues, and I look forward to hearing from the rest of the witnesses.

Mr. Farris, do you believe it would be necessary to establish regional and district offices for a Motor Carrier Administration, and, if so, how many staff would be required and how much would it cost to set up and maintain such offices?

Mr. FARRIS. There have been several estimates, Senator Symms, on trying to see what would be necessary to replicate what we have already established within Federal Highway. I think the minimum we are looking at is probably 30 new positions.

But I think the significant thing here is that it would be very difficult to exactly mirror all of the support activities that exist within our entire agency. A great deal of the motor carrier activity now is through a grant program. The total MCSAP program of $50 million is implemented through an actual grant application.

Senator SYMMS. How many people do you have at FHWA that are already involved in this?

Mr. FARRIS. Well, that is what I was trying to get to. We give support, through our planning staff, through our chief counsel's office and through our personnel office. These offices are not entirely dedicated to motor carrier activities, but provide support positions and activities that would be very difficult to turn around and completely replicate. And so, if you mirrored all that we were doing, you're probably looking at considerably more staff.

Senator SYMMS. So you think it might end up just causing more confusion and actually less efficiency, and probably more troublesome for the industry itself and for the users of the highways and the transportation system.

Mr. FARRIS. Senator, our operating budget, for an example, for motor carriers is about $23 million. But our grant program is $50

million, twice the operating budget. And if we do anything well in Federal Highway, it's monitoring grants.

Senator SYMMS. Do you think there's anything the Motor Carrier Administration could do that FHWA could not do?

Mr. FARRIS. I do not.

Senator SYMMS. You do not. I think that answer is a significant point that the Congress needs to consider. I agree with you.

That is your personal opinion as well as your professional opinion?

Mr. FARRIS. That is correct.

Senator SYMMS. And that's the Administration's position also?

Mr. FARRIS. Yes, sir.

Senator SYMMS. S. 747 states:

> the establishment of a Motor Carrier Administration within the Department of Transportation will increase productivity and efficiency, and will provide cost savings resulting from the elimination of duplicative activities within the Federal Government.

Obviously, you don't agree with that.

Mr. FARRIS. I don't agree with that at all.

Senator SYMMS. S. 747 directs that the Administrator shall carry out "other functions, powers, and duties of the Secretary relating to motor carriers prescribed by the Secretary."

Specifically, what kind of things do you believe would be transferred to a large Motor Carrier Administration under that language?

Mr. FARRIS. I don't see anything that we are doing now that—good morning, Senator—that would be enhanced in any way. It establishes, in my judgment, Senator, a duplicate structure. I puzzle over the initiative here. We, perhaps in the past, have not been as responsive as we should have been to motor carrier issues, but we are responsive now.

Senator SYMMS. That's the opinion that I have had, that the FHWA has responded to a problem that was there. Everything is not perfect yet, but you're working on it. How are you coming with respect to a truck being able to get licenses and get through the States more efficiently?

Mr. FARRIS. We are doing that now by using the National Governors' Association. We have supported them through some financial help. They have been under way on this now for two years. Motor carrier advisory committees have now been established in most of the States, which is a very positive step. It is going to be difficult for the States to move much more quickly than what they are already doing in trying to get the commonality of registration and the exchange of tax information among the States, but progress is being made in that direction. It is not anything that's going to happen overnight. We know that. But to say that we're not a strong advocate for that is incorrect. We worked very aggressively in that area.

Senator SYMMS. Assuming that this did pass—I am hoping that it won't—but if it did, and you were given the task to try to help set this up, this would take some time. I don't know whether there is any estimate of how long. But then you would have to transfer some of your functions, is that correct?

Mr. FARRIS. That is correct.

Senator SYMMS. So then the next question would be, the people that are in the Federal Highway Administration that are, and should be, very proud of the job they do, and pride within that agency is one of the best ones, I think, in the Federal Government, I am wondering what the effect on the morale of your employees would be when you told them you were going to transfer them over to a new Motor Carrier Administration.

Mr. FARRIS. Senator, it is hard to measure that kind of emotional impact. I can simply say that we are enjoying some pride in what we have accomplished to date in motor carrier activities. We have elevated our concerns for motor carrier issues to a high level within our agency. As you know, I have spent a considerable amount of my personal time on motor carrier issues, interfacing not only with State agencies around the United States, but with the industry itself. So we are aggressively and effectively communicating with each other.

That was one of the principal concerns that I think the industry had. They felt like that they were not being a part of the whole development process. I'm a great advocate for people being involved in regulatory activities, and that these regulatory activities be developed in reasonable harmony with those who are going to be regulated. If they can buy into your program and feel a part of its development process, they are more apt to be very supportive of the intent of the regulatory act itself.

I think we are accomplishing that today. And to now set this apart, it begins to create, again, that division that had existed for so long between the highway managers in this country and the motor carrier industry which uses those highways.

I was an advocate for bringing them together when I was in Tennessee and worked with the AASHTO organization to establish a committee within that structure where we began to communicate with each other. I find some difficulty to understand why the operators of the motor carrier industry are not genuinely concerned about the highways on which they operate, and we should be equally as concerned about those who operate on our highways as we go through the planning and development process.

We are so interrelated it puzzles me why there is any initiative at all to separate us. We had a very adversarial relationship for a good number of years, each trying to make sure that each was paying their fair share, so to speak, and there was a lot of finger pointing going on. And I see that now being eased by the fact that we are understanding each other's objectives and problems, and working them out in a cooperative stance.

Now, to separate that out again seems to me to exacerbate that problem rather than to assist in bringing it to a reasonable conclusion. I think we have made very positive strides in the last several years, and why there is some element of the motor carrier industry that insists upon pursuing this avenue is a puzzle to me. I've said that to them repeatedly since I've been in this position. I can find absolutely no justification for what they are doing, other than maybe elevating someone to a higher level that they feel gives them some status that they are seeking. But is status worth what we would have to give up on the other side? I think not.

Senator SYMMS. Well, thank you very much. I appreciate your testimony and the way you handle yourself answering the questions.

I want to welcome Senator Durenberger and Senator Chafee.

Senator Durenberger, do you have any questions?

Senator DURENBERGER. Yes, Mr. Chairman.

Mr. Farris, I was just discussing this on the way over with my staff person, and I, like the chairman of this committee, personifies getting a dollar's worth of service for every dollar spent and not creating new bureaucracies and all that sort of thing, and I have learned from him that my first reaction ought to be to ask the question why another bureaucracy, and then he reminded me that my former director is running one of your bureaucracies over there in DOT at the Federal Railway Administration, and other people we know are running other bureaucracies for other parts of this intermodal transportation system. Why not a more substantial effort to focus on truck transportation, motor carrier transportation if you will. There's a fellow from Idaho out there somewhere, I don't recognize him, but I bet Steve does, who is going to testify about something that says that this proposal, S. 747, would separate the administration of truck operations and the administration that provides the operating highway facilities that motor carriers have in order to operate as a viable transportation mode. We don't do that in rail, and we don't do that in air.

Mr. FARRIS. That's correct.

Senator DURENBERGER. And I'm wondering what the significance is of that argument.

Mr. FARRIS. I think it's very significant.

When you look at the intermarriage between the movement of our goods in this country and the highway system itself, it seems to be such an interrelated activity. It would be as if we were saying to FAA, for example, that the runways and taxiways ought to be managed by someone else, and that the FAA should only look after someone when they are flying around in the airplane.

Senator DURENBERGER. Well, they are. They are managed by the Metropolitan Airports Commission in Minnesota.

Mr. FARRIS. That is correct.

Senator DURENBERGER. They are not managed by the FAA.

Mr. FARRIS. Well, and the same principle applies to highways. You know, the highways in Minnesota are managed by the Minnesota DOT.

Senator DURENBERGER. Right.

Mr. FARRIS. We give them oversight. But there is such an integral marriage between the highway system and the movement of commercial goods by trucks that to separate them apart seems inconceivable to me. We are concerned about access, and so is the motor carrier. We're concerned about weight, and they're concerned about increased weights, increased cube capacity. As we argue that point, you can see, and I think it's clear to everyone, that there is such an interrelationship between motor carriers and the design characteristics of our highways, how they're maintained, how we design our bridges, how we design the geometric requirement of our highway system, that we ought to be in a mode where we are effectively communicating with each other, regarding their

needs and their concerns, as we try to administer the highway funds and the highway needs in this country.

I do not see how that interrelationship would be aided at all, by putting someone apart from that structure, taking them outside of the DOT and Federal Highway operation, where we are now interfacing very effectively across this country with those joint issues, communicating effectively with each other within a family environment.

It seems to me that to set that apart establishes a more adversarial relationship than a cooperative relationship.

Senator DURENBERGER. But if we assume, and you and I have a disagreement on what we ought to be doing with the highway system, I think we ought to be turning it back to the States, and you have some good reasons for saying we ought to be a little cautious about that. But assuming we continue to maintain this partnership and, as a Nation, we also want to have a competitive intermodal transportation system—leave the passengers aside for awhile, we're just talking about moving goods around this country, and not putting Minnesota at a disadvantage from Florida or California, New York, or something like that because they happen to be closer to seaports—try to get everybody on a sort of even keel. And you've said the airports have their system and the railroads, of course, are separate, but somehow this highway system is not being built for the trucking industry, it's got some wider purposes.

Now, for the sake of argument, at least, why wouldn't the Nation want to build its highway system for its transportation of goods, on the assumption that a lesser standard in construction and a lot of that sort of thing is necessary for passenger cars, and so forth, your highest standard would be to transport the goods that are produced in the country from one point to the other. And so that, in designing, in safety standards, in weight limits, and a whole lot of those kinds of things where you're trying to work the intergovernmental system, shouldn't we be aiming at the highest standard, which is the transportation of goods, knowing that that will also satisfy the passengers?

Mr. FARRIS. I agree with that.

Senator DURENBERGER. You do.

Mr. FARRIS. We have a national highway truck network that was part of the act that caused us to deal with this access problem. Each State, with the exception of seven or eight, dealt pretty effectively with that, in cooperation with us. That's another example of the good marriage that ought to exist within this agency, to provide that reasonable access on roads that are designed and can carry the truck traffic, in order to provide us this kind of economic vitality that we need in this country. I think that is a clear point. You just made it very clearly.

Senator DURENBERGER. Well, I am not a cosponsor of this bill, but I'm thinking about getting onto it now that it has been brought to my attention. I'm trying to figure out where all the pros and cons are.

Mr. FARRIS. I think the simple question here, Senator, is why. What do we gain by this that we're not already doing. What do we gain by spending another $2.4 million or adding 30 more staff people and separating decisions? What do we gain?

Senator DURENBERGER. I don't know. I'm not yet a proponent of this bill.

Mr. FARRIS. I think that's a question you're all going to ask yourselves, What do we gain by this?

Senator DURENBERGER. All right. That's an excellent question. That's what I'm trying to probe here.

In terms of what we gain—and I only bring this up because the chairman asked you a question about it, and I heard your response. I talked about the intergovernmental system, and you talked about working with the National Governors Association, and so forth. I have a recollection that during the energy crisis when we were cracking down on everybody, we all made some commitments to the motor carrier industry that we were going to work on a set of uniform State laws in a whole lot of areas, and I'm not sure that we've met that obligation. I know the energy crisis is gone and all that sort of thing, and I know at the time the Secretary of Transportation said, "Yes, I'm going to do it," and I remember having exchanges of letters with Drew, everything was Drew Lewis at that time. And I think I quit exchanging letters because the Transportation Department's priorities became something else other than the energy crisis. I wonder if you would sort of fortify what you said to the chairman, if that can be done on the basic fact, that by gosh, you are fighting to get uniform State laws and get the intergovernmental system to be more responsive to the cost add-ons to the motor carrier industry.

Mr. FARRIS. We clearly are. And I'll have to point to recent history, Senator. I think we justifiably should have received some criticism at the time when it was the old Bureau of Motor Carrier Safety, because it wasn't a high priority item. Other things were taking precedence. And we could probably do that in many other agencies. But since this reorganizational activity, I think we have effectively shifted our interests and application of resources toward the motor carrier. So I think you have to look at current history, and that's the reason I raised the question. If we were sitting back in 1982, this would probably have more justification. But today we are responding to the industry's concerns. We've elevated the motor carrier activities within our agency. We're giving it the kind of scrutiny that it ought to have.

Senator SYMMS. Actually to the tune of $73 million, if I heard you correctly. Is that right?

Mr. FARRIS. That's correct.

And so I see some real progress occurring across the country at this point, that we are making progress in this uniformity. There is a key issue here, and that's preemption. How far should the Federal Government go to preempt the State of Minnesota in their supervision and surveillance of motor carrier activities within their State. I think that's a very key issue that we need to look at very carefully. We're trying to do that in cooperation with the States, and that's why we turned our attention to the National Governors Association. I participated in it, as well as other members of the State highway agencies across this country. And I think we have elevated that among the governors, and there is progress being made, slow, surely, but progress nonetheless. And we have been an advocate in that area, and I think we need to remain an advocate

in that area. But to go much farther in preempting States' prerogatives in this area is a difficult field for us to all deal with.

To some point we are preempting. The commercial driver's license program is a good example of that. Now, we made the decision internally, when this bill was passed, to make sure that this was a State-driven issue. And we immediately began to work with the AAMVA, the American Association of Motor Vehicle Administrators, and we have now interfaced with that agency very effectively. The States are buying into our program, we're trying to be cognizant of their needs in issuing drivers' licenses within their State, and in setting the minimum standards that they will adopt. So we will have continuity of licensing across this country. But it will be a State- initiative program. I think that's the way to go.

Senator DURENBERGER. Thank you, Senator.

Senator SYMMS. Thank you, very much.

Senator Chafee, I welcome you to the committee, and if you have any questions——

Senator CHAFEE. Thank you. Unfortunately, the Finance Committee is meeting at 10:00 on a very important matter that I'm involved with, so I have to go down there.

But, I must say, I start off with a bias against one more administration or entity out there, and I have to be convinced about this.

Senator SYMMS. I think that is very healthy.

Senator CHAFEE. I notice in Mr. Donohue's statement, he talks about the ICC.

It is page 13, the second full paragraph:

> However, I must emphasize again the industry's opposition to the implications of section 3 of S. 747—the removal of ICC motor carrier economic regulations functions and assigning them to the Motor Carrier Administration.

How many cooks are you going to have in the broth here, anyway?

Mr. FARRIS. Well, I hope we won't have any more than we've got today, Senator. We think we are working very effectively. We think we are trying to meet the needs of the motor carrier industry as well as representing the entire highway needs in this country.

I think what you are referring to is an effort that this Administration has tried to advocate, and that's to even reduce regulations even further, and to eliminate some of the activities of the ICC. Continued in S. 747 was an admonition that if this new Motor Carrier Administration was created, that they would enter into a dialogue with the ICC and develop the necessary legislation to bring back to this committee for elimination of some of the ICC activities and transfer those over to this Motor Carrier Administration. We could do that today. We have proposed elimination of ICC regulations, and that's nothing new.

Now, the ATA has been opposed to any further deregulation, and we've been trying to further deregulate.

Senator CHAFEE. Well, I do tilt toward deregulation, I must say that, and tilt against one more agency or administrative entity.

Mr. FARRIS. We share that with you, Senator.

Senator CHAFEE. So I, unfortunately, cannot stay. I would be interested in Mr. Donohue's testimony and the others, plus the questions that go back and forth.

Senator SYMMS. Thank you, very much, Senator Chafee.

Senator CHAFEE. One quick question. In the cost estimates here, in the letter from Mr. Gramlich to Senator Hollings of December 4, 1987, which was just last year, the CBO expects the enactment of this bill will result in costs of approximately $14 million over the next five years, about $3 million a year.

Do you agree with those forecasts?

Mr. FARRIS. I think that is pretty conservative, Senator Chafee. You could probably do it for that. And I'm not sure that the money is the principal argument we ought to have. It ought to be a concern of ours. But the point I was trying to make earlier, is there's a lot of support activities that occur within our agency that are not separately identified in the motor carrier area, such as our planning organization that monitors the several types of grants that support the Commercial Driver's License program, personnel, our chief counsel, and public information. All of that is a support service that we give to that function which we do not allocate directly, but it is staff support nonetheless. Also no measured is the impact that we have with the established divisional offices and regional offices throughout the United States, where we have a long-standing relationship with State operations. That's almost immeasurable in terms of cost.

So I would not like to see our decision made strictly on the fact that it would cost $2.4 million, as concerned as we all should be in any additional cost when we are now trying——

Senator CHAFEE. I wouldn't talk $2.4 million anyway, because——

Mr. FARRIS. That's $2.4 million a year.

Senator CHAFEE. Yes. They say $14 million over five years, which——

Mr. FARRIS. Close.

Senator CHAFEE [continuing]. Is a little less than three. Then they go on to say in the letter, there will be one-time costs of a half a million and recurring costs between three and four.

Mr. FARRIS. Yes.

Senator CHAFEE. So, come on, how's their arithmetic? If it's between three and four, it's at least fifteen.

Mr. FARRIS. Yes, that is correct. We think it is understated.

Senator CHAFEE. Thank you.

Senator SYMMS. Thank you, Senator Chafee.

Senator STAFFORD. Mr. Farris, I, unfortunately, didn't get here in time to hear your opening statement, but I do have one or two questions.

Let me start this way: Assuming, but not deciding, as lawyers often say, and judges also, that a Motor Carrier Administration were created, do you believe it might become an advocacy agency for motor carrier issues, or a regulatory enforcement agency, or both?

Mr. FARRIS. It probably would end up doing both, and I'm not sure that it needs to be any more of an advocate than we have already been for the motor carrier industry. And again, Senator Stafford, I want to point to current history, and I think it is perfectly clear that some things needed to have been done in the Federal Highway Administration, and this was when this issue first was de-

veloped and presented, and I think properly so. We responded to that and I think have done so in a proper fashion, by elevating motor carrier activities to the associate administrator level. We went through an entire reorganization under the emphasis of Secretary Dole when she was there, and the Safety Task Force that she initiated. I think we have demonstrated clearly in the last two years that we are an efficiently operating system.

So I am puzzled over the continued emphasis to spend any additional money on what is now presently being accomplished. We are regulating, and we are advocating. So I think any further agency will do exactly what we're doing.

Senator STAFFORD. Many of the laws and regulations governing highway planning, design, construction, and maintenance affect motor carriers. Do you believe these functions should be transferred to a Motor Carrier Administration?

Mr. FARRIS. No, sir.

Senator STAFFORD. Finally, the Department of Transportation has been criticized for being too slow in issuing regulations for some of the motor carrier safety programs and standards.

Is there a reason that it takes several years to issue these regulations, and is there anything, if that is true, that can be done to expedite regulation issuance?

Mr. FARRIS. Senator, I think we are all concerned about the efficiency of the issuance of regulations, as I am sure you are concerned about the efficiency of the enactment of statutes in Congress. But each impact our country. Our regulations have the effect of law, and we are seriously looking at the whole process, but, at the same time, wanting to make absolutely sure that there is reasonable and effective participation in the development of these regulations. Many times, although our process is cumbersome, and I'm the first to admit that, but many times we get requests from the industry itself for further extensions of hearing times so that they have adequate time to comment, and we've tried to accommodate that. All of that together has led to a lengthy developmental process in regulations. I'm not sure I can openly fault that process at this point.

We are tightening up our review process within the Department, and I think have demonstrated in recent history that we can, in fact, meet deadlines established by this body. We met every one that you have included in the last act you passed. We intend to meet the others. We put a special emphasis on making sure that they are moving through on our side of the ledger as expeditiously as possible. By the same token, I want to make absolutely certain that the industry has adequate time to participate.

As I stated earlier, any regulation that is developed, if the industry feels participatory in that process, they are more apt to buy into the intent of the regulation. So I would not want to see an unnecessarily contracted regulatory development process, which would exclude the adequate participation of the industry itself.

Senator STAFFORD. All right. Well, thank you very much, Mr. Farris.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you very much, Mr. Farris. I appreciate your testimony.

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Mr. FARRIS. Yes, sir.

Senator SYMMS. Panel No. 2 will consist of Mr. Kermit V. Kiebert, Director and Chief Executive Officer of the Idaho Transportation Department; Mr. Glenn M. Gershaneck, Executive Assistant, Vermont Agency of Transportation; and Mr. Robert A. Innocenzi, Deputy Commissioner, New Jersey State Department of Transportation.

Gentlemen, welcome to the committee. Did you want to make a statement before you have to go, Mr. Chairman?

Senator STAFFORD. Mr. Chairman, I am going to try to listen to as much as I can of the testimony, but I did want to extend a word of welcome to Vermont's Assistant Secretary of Transportation, Glenn Gershaneck, who I have known in one capacity or another for some years. Glenn, we're glad you're here and we look forward to your testimony, as we do the others who are at the witness table.

Senator SYMMS. And, let's see, you are Mr. Ted Matthews, accompanying Mr. Innocenzi.

Mr. INNOCENZI. Yes, sir.

Senator SYMMS. Kermit Kiebert is our newest Director of Transportation in the State of Idaho. He is a former State senator, and he is a logging contractor, so he has had some experience with trucks, growing up in that occupation, and he is off to a good start in the State of Idaho with his new responsibilities. We welcome you, Mr. Kiebert.

This is not State preference, this is just the way the witness list is, so we will start with Idaho.

STATEMENT OF KERMIT V. KIEBERT, DIRECTOR, TRANSPORTATION DEPARTMENT, STATE OF IDAHO

Mr. KIEBERT. Thank you, Mr. Chairman.

Mr. Chairman, thank you for the invitation and the opportunity to speak here today.

As the Director of the Idaho Transportation Department, I am here to testify, of course, on Senate Bill 747 and the proposal to establish a Motor Carrier Administration within the Department of Transportation.

Senate Bill 747 would establish, of course, a Motor Carrier Administration as the tenth operating administration within the U.S. Department of Transportation.

Proposals to establish a Motor Carrier Administration come at a time when the Federal Highway Administration has already established an Associate Administrator for Motor Carriers. This new Associate position would elevate motor carrier operations to the level of importance that is consistent with the fact that highway design, construction and operations are predominately by provisions for motor carriers.

Bridge, pavement, highway geometrics, and highway safety designs are controlled by the weight, axle configuration, size, and operating characteristics of heavy trucks. Design and construction of truck inspection stations and hazardous material containment areas are also highway trust fund investments. The importance of highway and bridge design for trucks is increased even further

when we recognize that 70 percent of the private sector's transportation dollars are being spent on movements of materials and products by trucking.

The need for close coordination between heavy motor carriers and the administration of highways is greater than ever before in this Nation's history of highway transportation. At this time, under the leadership of the National Governors Association, States are moving voluntarily into interstate cooperative efforts to facilitate the movement of trucks. This cooperative endeavor between States is proceeding without Federal intervention.

Establishment of a Motor Carrier Administration as a separate administration will divide the motor carrier constituency between the administration of truck operations and the administration that provides the operating highway facilities that motor carriers must have in order to operate as a viable transportation mode.

The concept of a Motor Carrier Administration is not comparable to the Federal Railway Administration or the Federal Aviation Administration because neither of these administrations separate the operating users from their facilities.

For instance, there is no Federal Aircraft Administration with the Federal Aviation Administration left in charge of the airports that the aircraft must use. Furthermore, there is no Federal Train Administration with the Federal Railway Administration left in charge of trackage and terminals.

The Motor Carrier Administration is an idea that has the apparent trappings of better representation for an industry but it is a bad idea in practical and real substance because it separates the trucking industry from the highway facilities that the industry depends upon.

As an active and strong supporter of motor carrier concerns, the Idaho Transportation Department opposes the formation of a Motor Carrier Administration.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you, very much, for an excellent statement.

Mr. Gershaneck.

STATEMENT OF GLENN M. GERSHANECK, EXECUTIVE ASSISTANT, VERMONT AGENCY OF TRANSPORTATION

Mr. GERSHANECK. Thank you, Mr. Chairman.

Thank you for the gracious welcome, Senator. I have a little voice that keeps telling me I'm on the wrong side of the podium.

I am Glenn Gershaneck. I am the executive assistant in the Vermont Agency of Transportation. Agency Secretary Susan Crampton, who has testified before you on other issues, sends her regrets that she is not able to be here. The Vermont Legislature is moving into overtime soon, and it is not a good time for her to be out of state.

We in Vermont are not really in a position to address the questions of whether S. 747 will mean additional costs or duplication of activities arising from creation of this new administration. Others have spoken to those points.

I would like to approach this issue from a State's viewpoint, and I am confident that, in addition to Vermont, I speak for numerous other transportation units in States across the country.

Put simply, we think the concept of a separate motor carrier administration is a bad idea. I can offer practical reasons, such as further splintering of safety responsibilities under DOT's umbrella, and additional layers of Federal bureaucracy that States would have to weave through.

There is a more threatening aspect to this concept that should be exposed. That is the strong potential, Mr. Chairman, that the proposed Motor Carrier Administration would mutate from a planning/policy—setting unit to an advocate's role for those that it would be charged with regulating. I speak primarily of the trucking industry.

If such were the case, I fear that the States would have an even tougher time than we do now holding our own against the industry on trucking issues that are raised in Congress. Our track record in previous discussion, under the existing set-up, has been pretty dismal.

As the Department of Transportation is now constituted, the Federal Highway Administration has to balance requests and demands of the motor carrier industry against the impacts they have on the national highway system. For the most part, this balancing act works, providing some protection for the public interest.

If the planning/policy responsibilities were removed from the Federal Highway Administration and placed with a new entity that had no need to measure the costs and benefits of specific industry impacts on public highways and bridges, a crucial counterweight to industry pressure would disappear.

As you are well aware, Mr. Chairman and Senator Stafford, the trucking industry is a tremendously powerful lobby. Frequently it appears to State transportation officials that it is the strongest on Capitol Hill, chiefly because of its wealth and single-minded, concentrated approach to issues. I view S. 747 as an example of that lobbying strength.

You are also aware of the national campaign by the industry to overturn State truck taxes and fees, and its determination to prevent specific replacement revenue schemes from being put in place. Here I mention specifically weight distance taxes, Mr. Chairman. This revenue war has a direct and severe effect on a State's ability to maintain its highway system, a matter that falls directly within your committee's jurisdiction. In Vermont, truck tax litigation has a lengthening history, somewhat akin to pro football's Superbowl tradition, in that we number the lawsuits. We now are fighting ATA IV in the Vermont Supreme Court. So far, we are 0 and 2, with two ties.

It is not my intention to raise the issue of State truck taxation, although we in Vermont would appreciate and invite the scrutiny of Congress into this burgeoning problem. Instead, I want to focus on the potential damage that could result from a Federal advocacy for truck interests.

In discussing the problems of industry influence on Federal programs, Mr. Chairman and Senator Stafford, I need only point to the billboard lobby's control of the national sign law. That control

has effectively stifled the drive, which Vermont pioneered, to remove most of the signs that litter the Nation's roadsides. Fortunately, we seemed to have done it right, since Vermont's law has withstood all challenges thus far.

The 1983 Surface Transportation Assistance Act is another example, where the trucking industry was able to convince the Congress, over the objections, disorganized as they were, by many States to approve longer and wider vehicles, along with multiple configurations. In addition, the network of highways on which these vehicles can travel was greatly expanded. I should point out, Mr. Chairman, that the industry, not satisfied with this expansion, has been pushing for ever-greater access.

The States have been remiss in addressing these issues collectively, and we clearly have failed on many occasions to impress upon the Congress our concerns about highway/bridge and safety impacts that result from sanctioning of these big rigs.

There is a National Governors Association project, undertaken in conjunction with the industry, to improve safety and to push for uniform enforcement of driver and vehicle regulations. There is no similar push for a consistent national policy to control tandem-trailer access and to resist pressure by the industry for ever-larger vehicles. The specter of triple-trailer combinations—already a reality in the Far West—is haunting the crowded Northeast, as is the prospect of virtually unlimited access to our highway networks.

These are the types of issues, Mr. Chairman and Senator Stafford, that illustrate the failure of the States to hold our own. We fear that if the industry got its foot in the Department of Transportation door, we would have an even more difficult time mobilizing against special-interest legislation.

We in Vermont welcome and accept the trucking industry when it enters and operates on our highways in vehicles that fit the roads. We tightly control access—denying permission for tandems and other STAA rigs to stray far off the designated system. We forbid access to our mountain roads and, to the extent possible, to the narrow, underbuilt streets prevalent in most communities.

Perhaps the strongest transportation issue in Vermont is the mounting resentment in many communities to the rapid increase in the numbers of big vehicles traveling streets not suited to that burden. The resentment translates into a reluctance to embrace other highway initiatives, such as raising additional tax money to improve Vermont's deteriorating highway and bridge system. To illustrate the severity of that infrastructure decline, I will submit with my testimony, Mr. Chairman, a report produced this winter by a special task force appointed by our Governor. The picture it paints is a grim one.

Oversized vehicles and the extent of access both have direct impacts on the Nation's highways and bridges, on the Federal-aid system and off of it. It is important that issues related to the motor carrier industry be connected to Federal administrators who also have to respond to their impact.

The FHWA has an executive staff-level administrator who oversees the Office of Motor Carriers. That unit monitors and recommends improvements in policy for vehicle operation, while other parts of the same administration are responsible for adequate high-

way configurations. In addition, the National Highway Traffic Safety Administration has jurisdiction over vehicle standards.

It is difficult to see how splitting off planning and policy to a third agency, leaving highway and bridge requirements to FHWA and vehicle safety to NHTSA, would improve the situation. That would mean three agencies dealing with such issues, not two.

With the Congress so visibly receptive to the industry's desires, it seems as though there already is a trucking advocacy in Washington. There should not be two of them, with one institutional.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you very much.

Mr. Innocenzi.

STATEMENT OF ROBERT A. INNOCENZI, DEPUTY COMMISSIONER, NEW JERSEY DEPARTMENT OF TRANSPORTATION ACCOMPANIED BY: TED MATTHEWS, DIRECTOR, OFFICE OF FREIGHT SERVICES

Mr. INNOCENZI. Thank you.

Commissioner Hazel Frank Gluck extends her regrets, not being able to attend today, and she has asked me to represent her. I am the Deputy Commissioner of Transportation in New Jersey.

I would like to introduce the gentleman sitting at my left. Mr. Ted Matthews is the Director of our Office of Freight Services at New Jersey DOT.

Mr. Chairman, we thank you for the opportunity to speak on the proposal to create a Motor Carrier Administration within the Department of Transportation.

The purpose of this bill is to create a Motor Carrier Administration to coordinate motor carrier functions similar to the modal administrations which currently exist for the other nine operating administrations in the Department of Transportation. Senate Bill S. 747 would elevate operational responsibility for motor carrier safety and programs from a component within FHWA to a separate administration. This bill would also require the Secretary to consult with members of the Interstate Commerce Commission within six months of enactment of the legislation to determine whether the Motor Carrier Administration could more efficiently perform any of the Interstate Commerce Commission functions.

The New Jersey Department of Transportation agrees that the concerns of the motor carrier industry should receive a higher level of attention. In New Jersey, 80 percent of the freight activity is by truck. In recognition of this, New Jersey established a Motor Carrier Advisory Commission to address their concerns. New Jersey also has one of the most liberal motor carrier access permit systems in the country.

However, the New Jersey Department of Transportation does not agree that it is in the best interest of the motor carrier industry to establish an administration at this time. We believe that the recent reorganization of the FHWA provides the industry with the high visibility that is desired.

On October 1, 1986, a reorganization took place within FHWA which elevated the status of the Office of Motor Carrier Safety, and highlighted the importance of the motor carrier industry by creat-

ing the Associate Administrator for Motor Carriers. The focus went from a larger unit focusing on overall highway safety issues to a direct and consistent focus on motor carrier issues.

The previous Federal Highway Administrator, Mr. Ray Barnhart, and the present Associate Administrator for Motor Carriers, Mr. Richard Landis, have realigned the Office of Motor Carriers into an organization which is, in our opinion, highly responsive to the motor carrier industry. This Office of Motor Carriers provides an excellent perspective on safety requirements, motor carrier taxation and enforcement, and uniformity to the department. We have included for the record a copy of the report entitled "Legislative Update on the Regulation, Incidence, and Movement of Hazardous Materials in New Jersey." Part of this report provides an overview of New Jersey's activities with regard to a number of motor carrier issues. We believe that the bulk of the concerns voiced by the motor carrier industry are being dealt with effectively and efficiently by the Office of Motor Carriers within FHWA. Mr. Landis and his staff are to be congratulated on doing a fine job.

Under the auspices of the Office of Motor Carriers, the major programs of safety, regulation, commercial driver licensing, truck size and weight, and research and development are combined into a single, comprehensive program.

The recent reorganization assures that the functions are accomplished in a cooperative manner rather than by individual units functioning independently of, and often in conflict with, other units.

The Motor Carrier Safety Assistance Program is a prime example. Through this program, the States have been able to double the number of commercial vehicle safety inspections to over one million last year. This program has functioned extremely well under the Office of Motor Carrier's guidance and has provided benefits to both the public and the carrier alike. It has helped to assure uniformities in motor carrier regulation and inspection procedures at the State level, with associated benefits to the motor carrier industry as a whole. The Motor Carrier Safety Assistance Program has essentially accomplished the goals of the U.S. Motor Carrier Safety Act of 1984. If there is a criticism of this program, it is that there is insufficient funding.

More importantly, we do not see motor carriers as a separate mode from highway. There are administrative problems with creating a separate administration as well. As a practical matter, there will always be a need for a motor carrier unit to interface with the policy and planning units of FHWA. To the extent that there are disagreements or conflicting positions on issues, such as truck size and weight, the decision-making process would be elevated to the level of the Secretary, rather than resolved at the level of the Administrator, as is proper.

In summary, we believe the Office of Motor Carriers is functioning well as it already exists. It was created in its present form only two years ago to address the very concerns of the motor carrier industry. We feel that the office is in its infancy and should be given the chance to prove itself before we create yet another level of bureaucracy that may not be needed. Through the Office of Motor

Carriers and the National Motor Carrier Advisory Committee, the industry has a strong voice in Washington.

Again, sir, we thank you for the opportunity to address the committee.

Senator SYMMS. Thank you all, very much, for very excellent testimony.

Senator Stafford, I know you have to go to another committee. Did you want to ask any questions?

Senator STAFFORD. My situation is such that I don't have to go to the other committee until after we vote at 11:00.

Senator SYMMS. Go ahead, if you have any questions.

Senator STAFFORD. All right. I think, gentlemen, you have answered this question but, for emphasis, let me re-ask it of the panel.

Do you envision a Motor Carrier Administration as being an advocacy agency for motor carrier issues, or a regulatory enforcement agency, or both?

Mr. Innocenzi, do you want to lead off?

Mr. INNOCENZI. I believe, sir, that probably both would exist. I believe that elevation of that agency would provide an opportunity for an advocacy role as well as a regulatory role.

Senator STAFFORD. Is there disagreement with that statement? Mr. Gershanek, would you agree?

Mr. GERSHANECK. Senator, I think that the potential for a strong advocacy role is great and probably not wanted.

Senator STAFFORD. Mr. Kiebert?

Mr. KIEBERT. I certainly agree with the other two panelists, that I believe that it would provide an opportunity for much greater advocacy than there is today. And, of course, it would also remain a regulatory function.

Senator STAFFORD. Thank you.

Starting with you, Mr. Kiebert, do I get your name right?

Mr. KIEBERT. You are close enough.

Senator STAFFORD. Do you believe it would be necessary to establish regional and district offices for a Motor Carrier Administration such as FHWA has, in order to provide adequate coordination and services to States and localities?

Mr. KIEBERT. Yes, I certainly do. It seems to me that if there was going to be a[n] kind of coordination with regard to the motor carriers and the States, and the needs, and with regard to the interfacing of the States and the Federal Highway Administration, that it would be most necessary.

Senator STAFFORD. Mr. Gershaneck, do you believe it would be necessary, should a Motor Carrier Administration be established—let me rephrase this question.

The motor carrier industry believes that a separate Motor Carrier Administration is necessary to adequately represent their interest to the Secretary of Transportation. Do you believe there are things a Motor Carrier Administration could do in this area that the Federal Highway Administration could not?

Mr. GERSHANECK. No, Senator, I don't think so.

Senator STAFFORD. That is what you call a short Vermont answer, isn't it?

I think I will close with a comment on questions, Mr. Chairman. I may have one or two to submit in writing, but, in the interest of time, and knowing that we have a rollcall vote approaching, I'll say, by coincidence, I read a column in the paper this morning, The Washington Post, indicating that the 747's that Boeing manufactures are developing some structural problem that is requiring their grounding and some repair and resurfacing. And maybe that's typical of the 747 we have in front of us this morning, Mr. Chairman. It certainly needs to be taken into the hangar and overhauled a bit before it comes out again.

Senator SYMMS. Thank you, very much, Mr. Chairman Emeritus. I appreciate your being here this morning, and again, I want to thank all of you.

Mr. Kiebert, you sent me a letter on April 11th and stated what the policy goals were of the National Governors Association and Idaho's participation in this, but do you believe that, through the new Associate Administrator of Motor Carriers in the Federal Highway Administration and the National Governors Conference that we are, in fact, making the headway that we should be making? Is that what you are really saying?

Mr. KIEBERT. Yes, Mr. Chairman, that is exactly what we're saying, that there has been great progress in the recent and, as you can see, as you well know by the letter, that Idaho has complied with, out of those eight points, six of them, and I believe there are a number of other States that have also. So I believe the States are taking care of this reasonably well on their own through the National Governors Association.

Senator SYMMS. So you believe, then, that the laws and regulations governing highway planning, design, construction and maintenance affect motor carriers. Do you believe that, if we did pass this S. 747 that these functions should be transferred to the Motor Carrier Administration?

Mr. KIEBERT. Well, Mr. Chairman, I would be disappointed if those kinds of functions were lost by the States. I think the cooperation is there today, and I'm not too sure that another layer of bureaucracy or another—I guess that's the best terminology—would make the situation any better than it is today. I think that what needs to be accomplished is in fact being accomplished today at the State level.

Senator SYMMS. I really don't have any other questions. I think all of your testimony has been very clear on the issue.

Does AASHTO have a position on this? Do any of you know?

Mr. INNOCENZI. I am not aware.

Senator SYMMS. I think it is interesting to note for the record, Mr. Chairman, that this is n t a partisan issue that we have before us. I think New Jersey, you're a Republican administration, and Idaho and Vermont are Democrat administrations. So it's consistent with my belief about highways that it is a nonpartisan issue, it is a matter of determining how is the best way to have a good free flow of traffic on the road system in the country so we can develop better commerce and industry, and better economic opportunity for all.

So, if there is no other questions, I just want to thank all three witnesses for being here with us and for laying down your viewpoints on the record.

And you say you do not have a position from AASHTO?

Mr. INNOCENZI. I am not aware that AASHTO has a position, sir.

Senator SYMMS. I know we have an advocate of this legislation who is anxiously awaiting his opportunity to get before the committee, so I want to thank all of you gentlemen very much, and then welcome to the committee Mr. Tom Donohue of the American Trucking Associations, to tell us why it is a good idea.

Tom, we welcome you here this morning. I have enjoyed working with you on many, many issues in the past, and we'll look forward to hearing what you have to say.

STATEMENT OF THOMAS J. DONOHUE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN TRUCKING ASSOCIATIONS

Mr. DONOHUE. Thank you, Mr. Chairman. I am very happy to be here. It was interesting to hear how I was characterized by the gentleman from Vermont. I suppose if that was all true, we would already have this administration, wouldn't we?

Senator SYMMS. Well, I was thinking, with my good friend Senator Stafford, that I was a party to most of the issues that the gentleman from Vermont mentioned. I'm glad to be on the side of Vermont.

Mr. DONOHUE. I was up just the other day with Senator Stafford to meet with the Governor of Vermont, and to talk about these matters of safety and taxes, and to seek ways to resolve them in a non-adversarial approach. And I hope we are making some progress on that.

Mr. Chairman, I've submitted a statement for the record, and I would like to make a few short comments and provide you with what I consider to be some interesting data as well.

Our purpose here today is to express the industry's support for S. 747, a bill to give the motor carrier industry equal representation within the Department of Transportation.

With the exception of section 3, our association strongly endorses that bill, and I'll make a comment about section 3 in a minute.

Basically, what it does is very simple. It creates equity among the Nation's transportation modes at the Department of Transportation. And one of the questions that has been asked a number of times is, would it be an advocacy opportunity for trucking? And, yes, sir, it would. As you know, the Federal Railroad Administration, for example, is required under the law to be advocates for the railroads. Not only are they advocates for the railroads, but they are over there being advocates against trucking, with no one else to speak up for motor carriers.

A Motor Carrier Administration would enhance the safety on our Nation's roads. It would assure the future of the highway investments met the needs of interstate commerce as well as personal travel. And it would provide efficient service to the shipping public.

Unlike all the other major commercial modes of transportation which have the major responsibilities of an administrator within

DOT, motor carrier functions, are the responsibility of an associate administrator. This position is not established by law, not confirmed by the Senate, and could be removed by any administration that came in.

Of course, we understand the role of FHWA and that it must continue to keep control over the matters of building highways. We also understand that trucking makes an $11 million a day contribution to that organization and that the only reason that an associate administrator was ever put into place is that this bill was introduced.

The Associate Administrator, Mr. Landis, is a fine gentleman and has done a good job to help us, and plays an important role on our issues. But, as I said, he could be gone tomorrow with the whim of the Secretary.

History is replete with examples of how motor carrier issues have received less than adequate attention. During the recent trade negotiations, it was almost impossible, except for our own personal contacts, to get attention to that matter within the DOT or within the trade mechanism in this Government.

Truck research, where less than 2 percent, or $330,000, of the FHWA research budget is spent on trucking, is very, very important. But it is only 2 percent because we have been screaming. And yet if you look at what DOT is spending in the railroads, they spend about $7.2 million to $9.2 million in research, depending on how you calculate it.

Overweight foreign containers are seen as a truck weight enforcement problem—not as a problem of trade, not as a problem of commerce, not as a problem of development of our economy, but as an enforcement problem.

Access, wider vehicles, are seen as a police matter, as opposed to a matter of trying to improve our economy. We made a deal, as you indicated, some time ago for increased productivity and paid our taxes. But there are still a dozen States in this country that are not allowing larger trucks to move where they ought to because there is not an advocate at DOT taking care of our problems.

Size and weight issues and highway cost allocation studies are not adequately addressed. The Railroad Administration, paid for by Federal money, advocates against trucks on the cost allocation issues. Who is representing our interests?

Future technical issues are a great concern to us and not adequately addressed by DOT.

The motor carrier industry does not begrudge the advocacy role played by the other modal administrators, for rail, air, and maritime, and for mass transit. We believe, however, that there must be equitable treatment, and my one word is "equitable." We are not asking for anything else. We pay more taxes. We hire more people. We carry more dollar value of freight than any other of those modes, and we are not represented on an equal and equitable basis.

So, Mr. Chairman, We are only concerned that there be a small adjustment which can be made in the conference, concerning regulation and deregulation contained in section 3. Section 3 should be considered in another piece of legislation. We ought to move this bill forward without section 3.

I did a little study which you'll find very interesting. If you look at the Federal Highway Administration, 99 percent of all of its costs are paid out of the Federal Highway Trust Fund. If you look at the Federal Aviation Administration, 50 percent of all of its costs for air traffic control and capital construction are paid out of the Airport Trust Fund. And if you look at the Federal maritime group, they even have some of their costs paid out of their diesel taxes.

But when you get down to railroads, it's all paid by the Federal Government. They are paid by our tax dollars to advocate against trucks, with no one there to offer an equitable position. And I think it's time Congress takes a little look at who's being represented and who's paying the taxes.

Because Mr. Farris made a good presentation this morning, I want to stress we don't want to change what's happening with the National Highway Traffic Safety Administration. Leave its functions where they are. We don't want to change, Senator, responsibility for hazardous materials movement. There is an office at RSPA which should stay there so we have a common approach to the hazardous materials problem.

But so long as we are going to have advocates at DOT for every other mode, we need one for trucking which employs more people. For example, there are only 100,000 people that would come under the drug testing in railroads and airplanes. Trucking has 5.5 million drivers which would be subject to drug testing.

This is a $220 billion a year industry. And do not have an advocate at DOT for the lack of $2.5 million a year, which, by the way, we contribute to the Federal Highway Fund in six hours a days, and which the Transportation Department spends in 15 minutes.

Sir, all we look for is a little bit of equity. And I was glad to hear some of the comments of the people before me, because I think some of that needs to be clarified. The matter is not how we are going to end up building roads, not how we are going to end up allocating costs, not how we are going to end up making decisions on safety and environmental issues, but whether the largest transportation system in this country, in this world, is going to have a voice at the table.

Thank you very much.

Senator SYMMS. Thank you, very much, for a very inspiring statement, and you have some very good points. I must concede to you on that, Tom.

Have you seen the "Motor Carrier Activities of the Federal Highway Administration" publication, have you seen this?

Mr. DONOHUE. Yes, sir, I have seen that.

Senator SYMMS. Is there a lot of things in your agenda that you think the Motor Carrier Administration will do that they are not doing, other than one thing of being an advocate for the trucking industry?

Mr. DONOHUE. Mr. Chairman, your family run a rather complicated business and you understand that if certain elements of your enterprise are not present when decisions are made about capital expenditure and about budgets, and about decisions of public posture, and so on, they just aren't heard. I would not argue that Mr. Farris, his colleagues, Mr. Landis, and others have the best of in-

tentions. But they are subservient to other intentions of the highway and the highway construction community. They are not present often when advocacy views are being pushed by railroads, barges and mass transit. It is a very simple matter of getting up to the plate to get a hit at the ball.

And when the congressionally confirmed modal administrators gather with the Secretary, we're not there.

Senator SYMMS. I think that is your strongest position. But back to this question: Other than that, do you think that this covers most all the things that you are interested in?

Mr. DONOHUE. Well, let me then be specific. It covers many of the things we're interested in, but what are the quantifications when you have almost no research in this country by the Federal Government on the major mode of transportation of goods? We have truck research which is one percent or two percent of the R&D budget. We get little or no consideration. We do a great job in building highways, Mr. Chairman. We build the best highways in the world. But who is sitting there saying, "I'm very concerned about the off-ramps and the on-ramps." We need some more advocacy on that subject.

I won't argue that you can go through a piece of paper and find, in title, the things we are concerned about. I'm talking about the question of application and of the management of that system. As you know in your own experience, if you're not there, you can't have something to say about the problem.

Senator SYMMS. I noticed in your list of advocates for the bill that you've got the United Fresh Fruit and Vegetable Association.

Most of the people that haul produce are not members of the ATA, is that true?

Mr. DONOHUE. No. It depends on what place in the system.

Senator SYMMS. Independent truckers. How many of the trucks on the road are members of the ATA?

Mr. DONOHUE. Well, trucks aren't members. If you are asking how many trucking companies, I think you have to look at it from——

Senator SYMMS. That's what I mean.

Mr. DONOHUE. You talk about the independent operators, most of them work for members of ATA. For example, you take our previous chairman, Mr. Dale Craig from Ohio. He uses all owner-operators. He moves food in refrigerated containers and refrigerated trucks. All of his truck drivers, and all the trucks that are provided by owner-operators. Some of them are members, but not very many of them. Mr. Dale Craig is a member and he employs them all. And more and more, the private carriers, including the food companies such as Safeway and General Foods are beginning to participate more vigorously with ATA. And we are now talking to the Co-ops.

Since I came here three and a half years ago we've doubled the size of that organization in terms of members, and doubled the contribution of those members to the organization, and a declining industry where we had 1500 bankruptcies last year.

So the argument that ATA does not represent the trucking industry is an argument——

Senator SYMMS. I wasn't making that argument. I was just curious about it, because sometimes when I go home and get out on the

loading dock where they're loading truckloads of apples, the guys that are running those trucks have decidedly antigovernment view and they don't want anything to do with Washington, D.C., or more government, higher taxes, or speed limits, or anything.

Mr. DONOHUE. Mr. Chairman, as you know from our long-term association, I haven't——

Senator SYMMS. Some of those guys were ones that didn't like that licensing bill.

Mr. DONOHUE. Well, you like the licensing bill because your children are going to be safer on the road, I hope. But the point is, as you know, from our long-time association, I'm glad we don't get as much government as we pay for, and I could do with less government. But in this instance, we're not asking for more government. We are asking for reallocation and reorganization of the resources to get more efficient government.

As a matter of fact, I have told some people if the $2.4 million is the question, we'll pay for it. Then we'll go around and ask the other modal administrators to take their fingers out of everybody's pocket and start paying for it themselves.

What we are talking about is how much money the DOT spends in 15 minutes. We're talking about a reallocation of resources so that the biggest mover of goods in this country, who are going to face a major shortage of drivers and mechanics because of demographics, who have got major problems before it, have a voice where those problems are resolved. It is equity and it is fairness.

Senator SYMMS. Thank you, very much, Mr. Donohue, and you'll be happy to note that you've got a sponsor of the bill in the room here, Senator Pressler.

And Senator Stafford may have some questions.

Senator STAFFORD. Well, thank you, Mr. Chairman.

Just one occurred to me, Mr. Donohue, as you were concluding, and that is your comment there would be a shortage of drivers and mechanics due to demographics. I wonder if you would be willing to expand on that a bit.

Mr. DONOHUE. Yes, sir, I would like to do that. Over the last two decades, the rate of growth in the available people to work in this country has been about three percent a year. Over the next two decades that growth rate of available people to go into the work force at 21 years of age will drop to about .8 percent a year. That significant reduction, combined with the competition for young people in a more fully employed economy right now, having the highest employment we have had in recent times, is going to put us in a very, very competitive disadvantage in trying to attract truck drivers, not because anybody has done anything wrong, but because they weren't born.

At the same time, when you look at the mechanics and the drivers of the future, they are going to need a higher level of education and technical sophistication. You can imagine what trucks will look like ten years from now versus ten years ago. And, on top of that, we'll have computers on board trucks and other things. And you realize that of the high school students in this country, 23 percent won't graduate and 40 percent of those do, will only read on the 10th grade level. So the competition for good young people, particularly between the 21- and 35-year age group in the next two

decades, is going to be very challenging for us, and we're working very hard now to be competitive to get good people.

Senator STAFFORD. Could you also comment on what the average truckdriver working for ATA might make in the way of wages, and mechanics also?

Mr. DONOHUE. That's a very good question, Mr. Chairman. I'll try and do my best.

Senator STAFFORD. Just a ball park.

Mr. DONOHUE. First of all, we have to understand that in this country there are a number of different kinds of trucking businesses.

Senator STAFFORD. Sure.

Mr. DONOHUE. There's the LTL trucking business that takes many things from many places to many places, and that's pretty much unionized, all the way down to the other end, where there's owner-operators, independent contractors, and people that work for large truckload companies.

At the top end of the scale—leaving off the few people that work lots and lots of overtime and have been with us for 48 years and are about to retire—the salaries get up to $50,000 a year, plus benefits. Those are jobs also that have attraction because they are rather regular hours and regular routes.

At the bottom end of the scale, it could be half of that, and some of those people have to pay some of their expenses. As in other crafts and in other lines of work, it depends on where you live in the country, it depends whether you're unionized or not, and it depends what kind of a company you work for. Finally we have many non-union companies that pay more than the union companies.

For example, Frito-Lay, a very successful company in Texas, pays 113 percent of the union wage scale. But their turnover is less than three percent a year. So they make it back in training costs and so on.

It is going to be a very challenging time for us.

Senator STAFFORD. Thank you very much.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you, very much, Senator Stafford.

Senator Pressler, welcome to the committee this morning.

OPENING STATEMENT OF HON. LARRY PRESSLER, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator PRESSLER. Thank you, very much, Mr. Chairman.

As an original cosponsor of S. 747, I want to express my strong support for the creation of a Motor Carrier Administration within the Department of Transportation, which I have done previously.

Mr. Chairman, I have an opening statement, which I will not give in the interest of time, but I ask unanimous consent to place it in the record at this time.

Senator SYMMS. Without objection, it is so ordered.

[Senator Pressler's statement follows:]

OPENING STATEMENT OF HON. LARRY PRESSLER, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Thank you, Mr. Chairman, for scheduling today's hearing on the Motor Carrier Administration legislation.

As an original cosponsor of S. 747, I want to express my strong support for the creation of a Motor Carrier Administration within the Department of Transportation. Because the motor carrier industry plays such an important role in our overall transportation system, it deserves to have the representation that other modes of transportation currently receive. In fact, when the Department of Transportation was created in 1966, it was the intent of Congress that each mode of transportation be represented in the new Department. The motor carrier industry is the only major mode of transportation still not represented by an Administrator in the Department.

A Motor Carrier Administration would greatly benefit the industry and our national economy. It would increase efficiency, enhance safety concerns, and improve coordination of the industry's activities all around. Such an Administration would not only carry on the functions currently under the Federal Highway Administration, but would also take over activities of the Interstate Commerce Commission which affect transportation by motor carriers. One entity would be responsible for overseeing motor carrier transportation.

Mr. Chairman, I want to again congratulate you for holding this hearing. I hope that we in Congress will learn from today's testimony what difficulties exist under the current system and how to improve it.

Senator PRESSLER. Let me ask: We have had testimony that a new Motor Carrier Administration would not consolidate efforts within one entity, and I believe Deputy Administrator Farris said that it would further fragment responsibility for motor carrier affairs. Please address that issue.

Mr. DONOHUE. Well, if you believed that by adding another modal administrator, you would create fragmentation, if that's the interpretation you would make, I would agree. I would agree there would be more players in the game now at a higher level. We wouldn't have, in fact, more bodies. Let's just assume that Mr. Landis, for the sake of argument, took that job moved that group up to higher level of a modal administrator. We would still have the people in hazardous material and we would still have the people dealing with the safety over in Diane Steed's area. It wouldn't be any more fragmentation except the fragmentation would be at a higher level. You can organize things in any way you like, and you can make an argument to defend the position that the administration is advancing here. But the fact is, Senator, and thank you very much for your support and leadership on this, it is one thing to say that you're being representative at the 12th level of an organization, and it's another thing to say that you're being represented as one of the five people that are sitting down in the board room to decide what's happening.

And the arguments that Mr. Farris and his very distinguished colleagues are making are arguments that are aimed at defending a position that doesn't make any sense. It doesn't give equity to the largest transportation mode in this country. And there is no argument that anyone can offer to change that.

Senator PRESSLER. Following up on that, has the FHWA improved its handling of trucking concerns in recent years?

Mr. DONOHUE. Yes, sir, they have. Mr. Landis is a distinguished, hard-working public servant, and he has done a good job. But I could make you a list of a dozen times when there were deals made and decisions made that he was not present because he wasn't invited to the meeting. But whenever he's there, he does the best he can for us and he is to be commended for improving what's going on at FHWA. And, by the way, I want to repeat, the reason that

they created that associate administrator's job was because this bill was introduced, Senator, by you and your colleagues.

Senator PRESSLER. Over in the Commerce Committee, it's a popular bill.

Mr. DONOHUE. Yes.

Senator PRESSLER. In any event, Mr. Chairman, I ask to place my statement in the record.

Thank you very much.

Senator SYMMS. Thank you very much.

Tom, thanks very much for your excellent testimony. I must say that you have a very impressive list of support for this bill, as I look through it. I guess one of the problems some of us have, if we take that argument of having someone to create another agency, of having someone at the table to negotiate, that's the same argument that is being used to tell us that we need a Cabinet officer for the Veterans Administration. It may be a slightly different situation, but it may end up that—I hope you don't end up, if you get this, that you don't get more government than you wanted, not more than you paid for.

Mr. DONOHUE. You know, I thought about that. I just came back from a little vacation out near your part of the country with some of my children, and I was watching early-morning television. I saw something come on the screen that I thought we had gotten rid of. And I'm going to tell you one story as I leave here.

NHTSA does some public service advertising, and distributed a tape—done without any malice—supporting seat belts, "Let's Wear Seat Belts." It's about the Three Little Piggies riding around in their car, and they're going to be killed by the Big Bad Wolf, which is a huge truck. And we spoke to Mr. Burnley, he attempted to get rid of those things right away, but they're still showing around the country. If there was somebody at a senior level when those matters are being discussed, there would be a sensitivity not to do that to the major economic transportation force in this country.

And, Senator, you know, sometimes I just wonder how we divided up the chips here, and I get angry when I see things like that because your apples don't move without trucks.

Senator SYMMS. You're right about that.

Mr. DONOHUE. Thank you very much.

Senator SYMMS. Thank you very much.

Senator Warner's statement will be included in the record at this point.

[The statement referred to follows:]

OPENING STATEMENT OF HON. JOHN W. WARNER, U.S. SENATOR FROM THE STATE OF VIRGINIA

Mr. Chairman, thank you for having this hearing today on S. 747. While I was not able to be present for opening statements or for the testimony of Mr. Farris, I have reviewed the materials and testimony made available to me prior to today's hearings.

I must say that I am concerned that so many knowledgeable persons in positions of expertise on motor carrier issues oppose this legislation. My State's Department of Transportation is currently reviewing this legislation at my request, and I will, therefore, withhold final judgement until I have had the benefit of that review.

Nevertheless, from the testimony presented here this morning and from the comments of my colleagues, I must wonder aloud whether one more administration will

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add to, duplicate or detract from the Federal Highway Administration's efforts already ongoing in this important area.

I appreciate the importance of this issue being discussed before this committee, because of our jurisdiction over the Federal Highway Administration. And I look forward to reviewing with this committee whether this legislation will achieve its stated goal of improving safety, enforcement, research and associated under carrier industry programs.

Senator SYMMS. Richard Henderson, of the Private Truck Council. Richard, welcome to the committee.

And thanks for an excellent statement, Tom.

STATEMENT OF RICHARD D. HENDERSON, EXECUTIVE VICE PRESIDENT, PRIVATE TRUCK COUNCIL OF AMERICA

Mr. HENDERSON. Thank you, Mr. Chairman.

I am Mr. Henderson, Executive Vice President of the Private Truck Council. We appreciate the opportunity to be here today.

We are an independent national organization representing the interests of companies who engage in non-transportation primary businesses, but who also operate private truck fleets pursuant to and in furtherance of their non-transportation endeavors. We represent approximately 1800 member companies comprising a cross-section of manufacturing, processing and retailing industries including a number of Fortune 500 companies as well as many small ones. Trucks transport 75 percent of the Nation's total freight, and, to pick up on a point made earlier today, I believe, in the hearing, private carriage accounts for two-thirds of that. In short, we are the other side of, we are the other voice of the trucking industry.

And I might comment, yes, there are some dual membership companies like Safeway belong to Tom's group, but they also belong to us. They belong to ATA on issues having to do with safety and, perhaps, maintenance, but when it comes to back haul problems and other deregulatory issues affecting private carriers, that's why they join the Private Truck Council of America. So I just wanted to make that comment.

And, picking up, Mr. Chairman, too, on your reference to the list of supporters here that ATA has included in their statement, I merely raise the question, I know they have organized a coalition. I don't believe Mr. Zeigler is any longer the president of the Association of Truck Stop Operators. They may well still support this. And also I'm not sure that the Trucking Industry Alliance, on the third page of their list, whose coordinator is Stan Keel, I'm not sure, it may be, but I'm not sure that that organization is still in existence. I am not sure when this group has been last briefed on this issue. I merely raise the question about any long list of supporters, because many of these people represent industries that have private carriers, and private carriers have not supported the creation of an MCA.

We have always been opposed, as the Private Truck Council, to the creation of the MCA. In this era of cost-cutting and the need to streamline and make more productive of government at all levels, it just doesn't make sense to create another agency.

I want to depart from my text here a minute, going back to a question raised by Senator Chafee this morning.

Senator SYMMS. Your entire statement will be part of the record.

Mr. HENDERSON. Okay, I'm sorry. Yes, I appreciate that.

Senator SYMMS. As is the case with Mr. Donohue's entire statement.

Mr. HENDERSON. The one point I did not refer to in my prepared statement here, but occurred to me, was the question Senator Chafee raised about too many cooks spoiling the broth. One of the original fears we had, as private carriers, in establishing this agency, other than the points I raise here, is the fact that it could become, in time, an economic regulatory agency, and God knows, we don't want that and we don't need that. To the extent that there still is economic regulation, whether there need be, and we have, in line with this administration, advocated the phasing out of the ICC, but to the extent that there is economic regulation, let the ICC handle that and let the phase-out occur over there. Let's not transfer any of that to the DOT, and let's not make this an economic regulatory agency.

And, furthermore, as we all know, there hopefully won't be, but there might be a change in political administrations in this town someday, and we might have an intermodal, a competing modal representative of the trucking industry, and he might not be Tom's friend, he might not be our friend. There is always that danger. I really think we have a pretty good advocate in the Federal Highway Administration right now, and Tom's group has been the best advocate, and we have done the best we could in advocating our position to those people. They've listened and they've heard, and they've acted.

And the reason that we oppose it is because I think, in effect, we have already got, per the chart you just held up, Mr. Chairman, we've got most of what this new administration would stand for already within the Federal Highway Administration.

In preparing for this hearing, I happened to review a briefing paper prepared by Tom's group some years ago, in which it outlined some very cogent arguments, and, I must admit, we had some questions about some of the issues they raise. I think, ironically—yes.

Senator SYMMS. Mr. Henderson, excuse me, but that's the second bell. I have to go over and vote. How's your time?

Mr. HENDERSON. I just have about a minute more to go. Let me just say—I think I can finish up in a couple sentences—I think we should give the ATA the credit for being the catalyst to force the Federal Highway Administration to get its act together, and frankly, they have. The National Governors Association is working for uniformity in taxes and weights. Let's give them a chance. The safety statistics are improving. I don't think we need it.

Senator SYMMS. I thank you very much, and I apologize. I hope you didn't feel like you got shorted on time.

The hearing record will remain open for 30 days. Members of the committee may submit written questions, the witnesses may submit statements, and I would also ask unanimous consent that we insert in the record the publication "Motor Carrier Activities of the Federal Highway Administration."

And thank you, Mr. Henderson.

Mr. HENDERSON. Thank you, Mr. Chairman.

Senator SYMMS. The committee stands adjourned.

[Whereupon, at 11:10 a.m., the committee was adjourned.]

[Statements and other material submitted for the record and the bill S. 747 follow:]

U.S. Department
of Transportation
**Federal Highway
Administration**

Motor Carrier Activities of the Federal Highway Administration

March 1988

PREFACE

The motor carrier industry is a highly competitive mixture of for-hire common and contract carriers, private carriers which also often operate for hire, and owner-operators running one or several vehicles in regulated or exempt service.

There are an estimated 3.6 million trucks (weighing over 10,000 pounds each), which travel more than 100 billion miles annually and haul more than 77 percent of the dollar value of all freight carried in the United States (U.S. Bureau of Census: 1982 Truck Inventory and Use Survey). The for-hire portion of the trucking industry has annual gross revenues of more than $200 billion.

Approximately 192,000 carriers which operate in interstate or foreign commerce are subject to the Federal Motor Carrier Safety Regulations (Federal Highway Administration (FHWA): Motor Carrier Census Files). Nearly 189,000 of the carriers are trucking firms and the remainder are passenger carriers.

Twenty-six percent of the trucking entities that are subject to Federal safety requirements also are subject to economic regulations by the Interstate Commerce Commission (ICC). Over 50 percent are private carriers, hauling over 60 percent of the total intercity tonnage. Generally, the balance of the carriers haul commodities exempt from economic regulation, such as farm produce.

Approximately 80 percent of the intercity bus industry are ICC-regulated carriers. They have aggregate annual gross revenues of $1.8 billion and operate an estimated 19,000 coaches which travel 945 million miles annually in regular-route and charter service.

Heavy trucks and buses (weighing over 10,000 pounds each) are involved in approximately 320,000 accidents per year (National Highway Traffic Safety Administration: National Accident Sampling System). They have an accident rate of approximately 244 accidents per 100 million miles of travel, compared to a rate of 348 per 100 million miles for all vehicles. Approximately 5,600 people die each year as a result of accidents involving heavy trucks, representing 12 percent of the 46,000 people who die in all traffic accidents each year. In 1986, 2,609 people died and 25,092 were injured in accidents involving heavy trucks and buses subject to Federal safety requirements, i.e., those operated in interstate or foreign commerce (FHWA: Motor Carrier Accident Reports).

Truck safety is improving. The absolute number of fatal accidents involving combination vehicles has decreased in each of the 2 years preceding 1986 (most recent available data). The declining number of accidents, along with the increasing vehicle miles traveled, produce even lower accident rates. The current accident rates and fatal accident rates are considerably lower now than they were 10 years ago.

SUMMARY LIST OF FHWA'S MOTOR CARRIER PROGRAM RESPONSIBILITIES

The FHWA is devoting considerable resources to address a wide array of truck and bus safety issues. We are working closely with representatives of the states and the motor carrier industry to improve the safe operation of trucks and buses on the Nation's highways. The following summarizes our full agenda of motor carrier functions and responsibilities; a more detailed explanation is also provided for your information.

1. **Staffing and Organization** - Our motor carrier staff in Washington and over 78 field offices has grown from 276 employees in 1981 to a current complement of 440 employees. In 1985, we consolidated our motor carrier operations under a single Associate Administrator who has direct access to the Federal Highway Administrator.

2. **Motor Carrier Safety Assistance Program** - Through this Program, established in 1983, $139 million of assistance has been made available to the states to expand their motor carrier safety and enforcement activities. Program funding tripled from $17 million in fiscal year 1986 to $50 million for fiscal years 1987 and 1988. During the fiscal year ending September 30, 1987, states conducted approximately 1 million driver and vehicle inspections.

3. **Safety Reviews** - While the states have increased their role in roadside inspection and enforcement activities of commercial vehicles, we have increased our on-site reviews of motor carrier operations by 80 percent. We are conducting safety reviews of all unrated motor carriers which operate in interstate or foreign commerce. During fiscal year 1987 alone, the FHWA contacted approximately 45,000 carriers for reviews. Also during fiscal year 1987, 5 states received training in the performance of safety reviews and initiated programs to assist in the rating process. Twelve additional states plan to participate during fiscal year 1988.

4. **Commercial Driver's License** - We are working with the states to enforce a new law requiring that all commercial motor vehicle operators (5 million truck and bus drivers) have only one license (effective July 1, 1987). Under this new program, all states must test and license commercial drivers according to federal standards we are developing.

5. **Information Systems** - We are developing three major information systems to provide comprehensive and current data on the safety performance of motor carriers, drivers, vehicles, and other important indicators of the makeup of the industry. We will be able to access data on safety reviews of the carriers, vehicle and driver inspections, licensing activities, and industry operations.

6. **Regulations** - We are reviewing and repromulgating the entire set of Federal Motor Carrier Safety Regulations (FMCSRs). We have issued two final rules and are developing three more. Four other rulemakings are under review within the Department. We are working on approximately two dozen additional rulemaking activities, including 11 that affect truck size and weight activities.

7. **Safety Regulatory Review Panel** - The Federal Highway Administrator chairs the review panel established by the Motor Carrier Safety Act of 1984. We are reviewing and analyzing nearly 70,000 sections of state laws and regulations for their consistency with the FMCSRs and other safety merits.

8. **Truck Size and Weight** - In addition to specific rulemakings, we manage the designation of the Federal-aid primary truck route system for larger trucks and issue size and weight standards for the entire Interstate System.

9. **Uniformity of State Taxation and Regulation** - For the last 2 years, the FHWA has worked with the National Governors' Association to develop and implement a set of recommendations designed to simplify state regulations for motor carrier taxes and registration.

10. **Research and Development (R&D)** - We managed R&D activities totaling $2.1 million in FY 1987 to benefit the states and the motor carrier industry.

11. **Congressional Reports and Studies** - We have completed congressionally mandated studies and are working on others on topics such as employee safety in the motor carrier industry, effectiveness of state and federal motor carrier regulations, user taxes for trucks, and an appropriate standard for establishing when a motor vehicle operator is considered driving while intoxicated.

12. **Public Responses** - Each year, we respond to almost 600 requests on motor carrier activities under the Freedom of Information Act and 1,500 other letters and written inquiries about motor carrier activities.

FHWA'S MOTOR CARRIER PROGRAM RESPONSIBILITIES

The FHWA employs 3,500 people in its headquarters and field offices. Of these, 440 currently have direct responsibilities in the motor carrier area. The Associate Administrator for Motor Carriers directs the motor carrier program and regulatory activities within the FHWA. He reports directly to the Federal Highway Administrator and the Deputy Administrator.

1. Staffing and Organization

The FHWA established the Associate Administrator for Motor Carriers to focus attention on motor carrier issues and to provide high-level access for industry representatives to voice their views. Originally, the FHWA's motor carrier functions were limited to direct federal activities; the Bureau of Motor Carrier Safety issued regulations, inspected vehicles and conducted safety management audits. Now the states are an equal partner in motor carrier enforcement activities under the Motor Carrier Safety Assistance Program (MCSAP).

The Associate Administrator for Motor Carriers directs the FHWA's major motor carrier activities including policy development, program oversight, and technical assistance. With direct line authority for motor carrier field staff, he assumes additional budgetary, personnel, and general administrative responsibilities. For example, the staff of the Associate Administrator for Motor Carriers monitors personnel ceilings, arranges for office space, and assesses the fiscal requirements for all of the motor carrier offices nationwide.

With these new responsibilities has come a corresponding increase in staff resources over the past 6 years. Between 1981 and 1987, the motor carrier headquarters and field staff increased from 276 to 440 people--a 59 percent increase. The field offices grew from 214 to 356 people--a 66 percent increase, while headquarters increased from 62 to 84 people--a 35 percent increase.

Attached is an organizational chart for the current motor carrier offices under the Associate Administrator for Motor Carriers.

2. Motor Carrier Safety Assistance Program (MCSAP)

One of the most successful, visible programs in the FHWA today is MCSAP. Before this program was implemented, the FHWA motor carrier specialists were conducting approximately 36,000 motor carrier vehicle and driver inspections a year. However, under MCSAP, during fiscal year 1986 this federal/state partnership resulted in more than 500,000 inspections nationwide and removed more than 200,000 vehicles and 40,000 drivers from service for violations of the Federal Motor Carrier Safety Regulations. For the fiscal year ending September 30, 1987, states conducted approximately 1 million driver and vehicle inspections.

Congress established MCSAP, a federally funded program which is administered by the states, under the Surface Transportation Assistance Act of 1982. At the present time 48 states and 4 territories are actively participating.

Under this program, the FHWA establishes regulations and provides other assistance to the states such as:

- technical assistance in the development of a state enforcement plan, establishment of procedures for vehicle inspections, hazardous materials enforcement, safety reviews, and the completion of safety management audits
- grant administration and fiscal accountability
- monitoring and review of state MCSAP activities

The states inspect vehicles and driver records, train state personnel in the safety requirements, and promote public awareness about commercial vehicle laws and safety.

In fiscal year 1984, the first year of the program, Congress appropriated $8 million. That amount increased to $17 million for fiscal year 1986. Under the Commercial Motor Vehicle Safety Act of 1986, Congress authorized $50 million for MCSAP for fiscal years 1987-88, and in years 1989 through 1991, $60 million. In addition, Congress provided contract authority for MCSAP. The FHWA distributes the funds to the states by formula; the states provide a 20-percent match for federal funds.

The FHWA also works closely with the states through the Commercial Vehicle Safety Alliance (CVSA). The CVSA has a cooperative agreement whereby states recognize and accept one another's vehicle inspections.

3. Safety Reviews

The FHWA has implemented plans and procedures to accomplish the massive task of contacting and conducting safety reviews of 185,000 unrated motor carriers operating in interstate and foreign commerce. In fiscal year 1987 alone, the FHWA contacted 45,000 carriers and conducted approximately 20,000 safety reviews and 3,500 compliance reviews. In addition, we have investigated approximately 785 complaints and taken enforcement action against 800 carriers. The FHWA has hired and trained an additional 150 motor carrier safety specialists to help carry out the important task of rating all motor carriers. During fiscal year 1987, 5 states received training in the performance of safety reviews and initiated programs to assist in the rating process. Twelve additional states plan to participate during fiscal year 1988.

This initiative is designed to rate interstate motor carriers which have never been given a safety rating. It will ensure that carriers are complying with the Federal Motor Carrier Safety Regulations. If the FHWA rates a carrier as "conditional" or "unsatisfactory," it will conduct a more detailed review of the carrier's records and safety practices. The FHWA will monitor carriers that pose a safety risk and assist them in complying with federal safety requirements. These carriers will be subject to follow-up reviews after enforcement action and until they achieve a satisfactory rating.

The FHWA will request motor carriers that are rated "conditional" to participate in the Educational and Technical Assistance Program. The FHWA will identify safety problem areas and assist the motor carrier in determining effective ways to correct the problems. Once the motor carrier has had an opportunity to initiate the safety countermeasures, the FHWA will conduct a follow-up safety review and reassess the rating. If the FHWA rates the carrier "satisfactory," the FHWA monitors the carrier through its ongoing program. If the FHWA rates the carrier "unsatisfactory," the FHWA will monitor the carrier more closely through the Selective Compliance and Enforcement Program.

In addition, the FHWA has implemented a new program to identify motor carriers with an over-representative number of preventable accidents. The objective will be to reduce the risks associated with preventable accidents involving commercial motor vehicles. Through special meetings with identified motor carrier officials and the introduction of countermeasures to reduce these types of accidents, the FHWA will be able to measure its effectiveness to reduce commercial vehicle preventable accidents.

The FHWA is continually revising and updating its motor carrier review procedures to reflect changing technology, industry practice, and new program initiatives. The FHWA

pilot tests the changes, completes modifications, and incorporates the changes into program manuals. It also develops training courses and instructs existing staff and new hires on the latest review procedures.

4. Commercial Driver's License Program

More than 5 million people drive commercial motor vehicles in interstate or foreign commerce in the United States today. It is widely recognized that driving certain commercial motor vehicles requires special skills, knowledge and training as well as minimum physical qualifications. In 18 states and the District of Columbia, however, any person licensed to drive an automobile can also legally drive a tractor-trailer or a bus. As a result, too many drivers are operating motor vehicles they may not be qualified to drive. There has been another serious problem in the motor carrier industry--some commercial drivers have avoided license suspension or revocation for traffic violations by holding drivers' licenses from more than one state. By spreading their violations among several licenses, these drivers stayed ahead of the law, and, unfortunately, they stayed behind the wheel.

The Commercial Motor Vehicle Safety Act of 1986 established a new licensing program to remedy these serious problems in the industry. The FHWA has the lead responsibility for implementing this new program in a timely manner. On June 1, 1987, we issued a final rule which made it illegal for commercial motor vehicle operators to have more than one license beginning July 1, 1987. We are working with the states to enforce the new law. By the end of December 1987, some 30,000 commercial drivers' licenses had been voluntarily turned in to the states of issuance. In addition to voluntary compliance, representative states from every major region of the country have initiated special programs to identify drivers with more than one license.

On December 11, 1987, we proposed minimum testing and licensing standards that states will implement when licensing interstate and intrastate commercial truck and bus drivers. All truck and bus drivers must be licensed under the proposed new standards by April 1, 1992. We will issue final standards by July 1988. We also are working to meet other key deadlines of the Act:

- We will establish the blood alcohol concentration (BAC) level at which a person is deemed to be "driving under the influence of alcohol" while operating a commercial motor vehicle (October 1988);
- We will establish an information clearinghouse for reporting to the states and employers on the licensing status and identity of drivers (January 1989); and

- We will be working with states to comply with the minimum federal standards (October 1993).

Three grant programs (Basic, Supplemental and Clearinghouse) were established by the Act to assist the states in the development and implementation of the CDL program. Congress authorized a total of $55 million for these three grant programs during fiscal years 1987-1991.

We are working closely with the states to develop testing procedures, establish a clearinghouse with driver data (discussed below), develop model state enabling legislation, and prepare materials for drivers and employers that explain their responsibilities under the Act.

5. Information Systems

The FHWA is establishing three major information systems to assist the Department, the states, and the motor carrier industry.

Motor Carrier Safety Information Network (SAFETYNET)

SAFETYNET is a database management system designed to assist the states under the MCSAP program. The SAFETYNET Inspection System, now in use in 21 states, allows the FHWA and the states to manage and share data collected during safety inspections of interstate and intrastate commercial vehicles. Under the next phase, the FHWA will modify SAFETYNET to accommodate motor carrier accident information. The FHWA plans to complete these modifications by 1989. The FHWA is initiating a contract for the third component, safety review and fitness-rating, which will expand our ability to focus on high-risk carriers.

Commercial Driver's License Information System

Under the new CDL program, the FHWA must establish a clearinghouse for reporting to states and employers on the licensing status and identity of drivers. The clearinghouse must be established by January 1989 and could be operated by the Department, a state or group of states, or a contractor. The FHWA believes the states should operate the clearinghouse, as they will be its primary users.

Working with the FHWA and an American Association of Motor Vehicle Administrators committee of driver licensing officials representing 11 states and 1 Canadian province, the contractor that had completed the inventory and review of existing systems has defined the state needs for a clearinghouse. The requirements have been presented for comment to all states and agreement was reached on it permitting the system specifications to be written. The State of New York was selected as the lead state for the issuance of a contract which is predicated on those system specifications for development of the clearinghouse.

In addition to the grant programs discussed earlier, the Congress authorized a total of $6 million during fiscal years 1987 - 1989 for the FHWA and the states to develop the information system and national clearinghouse.

Motor Carrier Management Information System (MIS)

The FHWA is implementing a comprehensive Motor Carrier MIS. It is used to:

- collect and disseminate data from the motor carrier safety review performed by motor carrier safety specialists, analyze carrier performance for recommended safety ratings, and inform motor carriers of the results;
- identify motor carriers with high levels of noncompliance with applicable safety regulations and high preventable accident rates and target the FHWA's enforcement activities;
- analyze accident reports submitted by carriers for accuracy and to assign preventability factors; and
- monitor data entry for inspections, accidents, safety and compliance reviews, and enforcement records for interstate motor carriers.

6. Regulations

The FHWA establishes regulations affecting the operation of commercial motor vehicles in interstate and foreign commerce, e.g., the FMCSRs. The FHWA regulates driver qualifications, commercial motor vehicle operations, parts and accessories necessary for safe operation, accident reporting, hours of service, inspection and maintenance, employee safety and health, and the safe transport of migrant workers.

The FHWA establishes standards for financial responsibility and liability protection. The FHWA and the Research and Special Programs Administration jointly develop regulations on transporting hazardous materials, including labeling, marking, and packaging for highway transport. The FHWA assists the Environmental Protection Agency in es-

tablishing internal noise standards and procedures for enforcing external noise standards.

The Motor Carrier Safety Act of 1984 required the FHWA to reissue all the FMCSRs. The FHWA expects to complete this initiative in early 1988.

Aside from the reissuance of the FMCSRs, the FHWA has initiated over a dozen other motor carrier regulatory actions pertaining to such important matters as the use of on-board recording devices, safety ratings, drug testing of motor carrier workers, and the CDL program.

The FHWA responds to petitions to establish, amend, or repeal motor carrier regulations. The FHWA is currently reviewing almost two dozen petitions for changes not yet docketed or incorporated into ongoing rulemakings.

7. Safety Regulatory Review Panel

The Motor Carrier Safety Act of 1984 required the Secretary to establish a Commercial Motor Vehicle Safety Regulatory Review Panel to review and analyze all state laws and regulations pertaining to motor carrier safety. The Panel must report to the Secretary on the compatibility of state requirements with the FMCSRs and whether any incompatible state requirements have safety merits.

The FHWA Administrator chairs the Panel and the FHWA provides staff. The FHWA is overseeing the assembly and compilation of all state motor carrier safety laws and regulations, including the development of a computerized synopsis of state requirements. Approximately 70,000 records have already been included in the system. The requirements are currently being reviewed for their consistency with the FMCSRs. The Safety Review Panel will submit a final report with recommendations to the Secretary in 1988.

8. Truck Size and Weight

The FHWA establishes truck size and weight regulations, monitors state regulatory and enforcement programs to ensure compliance with federal laws, and prepares reports on the effectiveness of the size and weight initiatives. The FHWA now has nine separate rulemakings underway on such important topics as revisions to the National Network for trucks, reasonable access to the Network, provisions of the Tandem Truck Safety

Act of 1984, and treatment of specialized truck equipment, such as automobile and boat transporters on the Network.

The FHWA works closely with the states to ensure compliance with federal laws and requirements. The FHWA conducts periodic reviews of state activities and uses the results, in part, to prepare an annual report to Congress. The FHWA also uses the results to assist in its review of the states' annual certification of the enforcement program, which can lead to withholding Federal-aid highway funds.

The FHWA provides extensive technical assistance, especially for weigh-in-motion activities. The FHWA is sponsoring demonstration projects in 21 states in order to assess enforcement activities, monitoring techniques, and equipment performance. The FHWA is conducting other research to develop low-cost weigh-in-motion devices and improve the accuracy of weighing practices.

Since enactment of the Surface Transportation Assistance Act of 1982, the FHWA has been a party to several significant court actions. Usually, from three to five major litigation actions are active. The FHWA provides the technical as well as the legal support for such litigation. The FHWA receives numerous requests for interpretation of federal size and weight laws and regulations, as well as complaints from all segments of the trucking industry that states are not complying with federal mandates.

9. Uniformity of State Taxation and Regulation

The FHWA is funding and managing a contract with the National Governors' Association (NGA) to simplify state regulations for motor carrier taxes and registration.

A series of recommendations have been issued to help simplify state registration, fuel tax and other requirements. The FHWA is working with the NGA and the states to implement these recommendations. As a result, the NGA has developed and is actively promoting a base state model fuel tax agreement. In addition, through this contract, the FHWA is working to obtain an NGA policy recommendation on a minimum set of truck accident data elements to be collected by all the states.

10. Research and Development (R&D)

The FHWA managed R&D activities totaling $2.1 million in FY 1987 to benefit the states and the motor carrier industry. The FHWA managed approximately two dozen con-

tracts in the areas of vehicle safety, driver safety and training, hazardous materials transportation, information system development, and regulatory impact analysis.

11. Congressional Reports and Studies

The FHWA has responsibility for several congressionally mandated studies.

The Motor Carrier Safety Act of 1984 required four studies: health hazards to motor carrier employees, protection of motor carrier employees engaged in the transport of passengers, effectiveness of penalties in deterring violations of the FMCSRs, and effectiveness of state motor vehicle safety regulations.

The Deficit Reduction Act of 1984 required three studies: update the 1982 Cost Allocation Study, determine whether Canadian trucks should be subject to the U.S. heavy vehicle tax, and assess the feasibility of a federal weight-distance tax in place of other user taxes on trucks.

As noted earlier, FHWA also prepares an annual report to the Congress on state truck weight enforcement programs, penalties imposed for overweight violations, and state practices for issuing special permits for truckloads above the established limits.

12. Public Responses

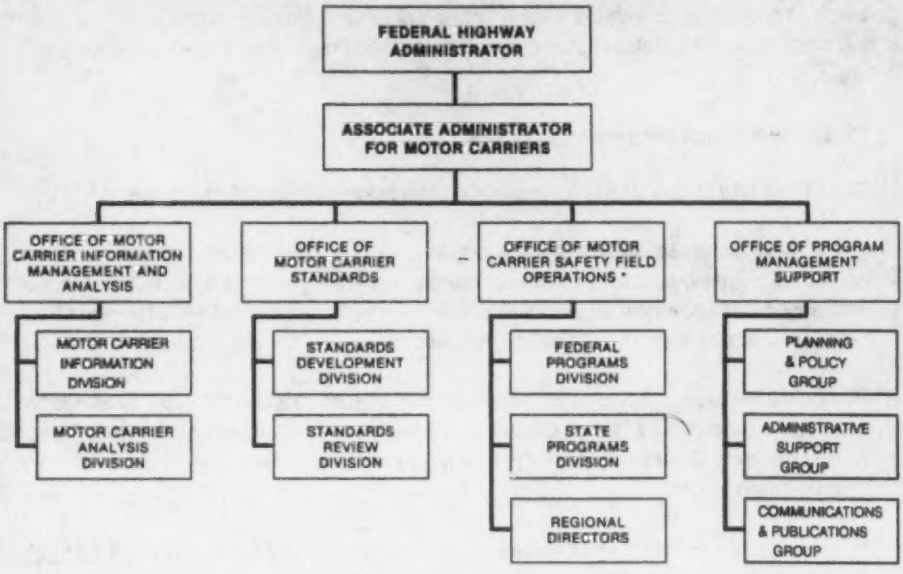
Freedom of Information Act (FOIA) Requests

Each year, the FHWA responds to almost 600 FOIA requests on motor carrier activities, which is approximately 80 percent of all the FOIA requests received by the FHWA.

Correspondence

The FHWA responds to an additional 1,500 letters and written inquiries about motor carrier activities annually.

FHWA MOTOR CARRIER OPERATIONS


FEDERAL HIGHWAY ADMINISTRATOR
ASSOCIATE ADMINISTRATOR FOR MOTOR CARRIERS
OFFICE OF MOTOR CARRIER INFORMATION MANAGEMENT AND ANALYSIS
MOTOR CARRIER INFORMATION DIVISION
MOTOR CARRIER ANALYSIS DIVISION
OFFICE OF MOTOR CARRIER STANDARDS
STANDARDS DEVELOPMENT DIVISION
STANDARDS REVIEW DIVISION
OFFICE OF MOTOR CARRIER SAFETY FIELD OPERATIONS *
FEDERAL PROGRAMS DIVISION
STATE PROGRAMS DIVISION
REGIONAL DIRECTORS
OFFICE OF PROGRAM MANAGEMENT SUPPORT
PLANNING & POLICY GROUP
ADMINISTRATIVE SUPPORT GROUP
COMMUNICATIONS & PUBLICATIONS GROUP

* Regional Directors, Offices of Motor Carrier Safety Report to the Associate Administrator for Motor Carrier through the Director, Office of Motor Carrier Safety Field Operations

STAFFING - 1987

HEADQUARTERS	84
FIELD	356
TOTAL	440

Before the

UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

APRIL 13, 1988
WASHINGTON, DC

AMERICAN TRUCKING ASSOCIATIONS

On

THE NEED TO ESTABLISH A MOTOR CARRIER ADMINISTRATION in the U. S. DEPARTMENT OF TRANSPORTATION

Thomas J. Donohue
President and Chief Executive Officer

4/12/88

I. INTRODUCTION

I am Thomas J. Donohue, President and Chief Executive Officer of the American Trucking Associations. I welcome the opportunity to express the trucking industry's strong support for S. 747, a bill to give the motor carrier industry equal representation within the Department of Transportation.

Mr. Chairman, with the exception of Section 3, the American Trucking Associations strongly endorse S. 747. We believe this long overdue legislation, to establish a Motor Carrier Administration within the Department of Transportation, will make a significant and positive contribution toward:

- o Creating equity among the nation's transportation modes;
- o Enhancing safety on our nation's roads;
- o Assuring that the future highway investments meet the needs of interstate and foreign commerce; and
- o Providing efficient service to the shipping public.

In addition, I wish to express the support of a Coalition of 20 national organizations for passage of S. 747. These national associations represent thousands of businesses, manufacturing concerns, and agricultural enterprises which are

heavily dependent upon motor carriers. A list of the Coalition members is attached to my statement.

The motor carrier industry is not a single industry; rather, it is a collection of industries -- from truckload to less-than-truckload, from general freight carriers to specialized carriers such as auto transporters, from coast-to-coast delivery to local pick-up and delivery. The trucking industry is composed of more than 260,000 American firms, and accounts for 77 percent of all freight transportation revenues in this country. The trucking industry employs 7.2 million Americans and generates annual revenues in excess of $215 billion. As the trucking industry's new slogan states: "Without Trucks, America Stops". The public and the American economy depend on truck transportation to provide the goods, services, and materials that move America.

As you know, Mr. Chairman, these different industry segments frequently are not in agreement with each other. However, the industry is united on the need to have an equal voice within the DOT through the establishment of a Motor Carrier Administration. We stand united with our 51 affiliated trucking associations located in every state and the District of Columbia, 10 affiliated conferences, and several thousand motor carrier members, representing every type and class of motor carrier in the nation -- for-hire and private as well as regulated and exempt -- in support of a Motor Carrier Administration.

Finally, we are well aware of the budget considerations in proposing a new program. However, the estimated additional annual costs of this new Administration -- $2.4 million -- are less than what the Department of Transportation spends in 15 minutes. The equity and efficiency that will be gained by the creation of a Motor Carrier Administation will make it a worthwhile investment in transportation's future.

II. NEED FOR A MOTOR CARRIER ADMINISTRATION

Truck transportation must be made as safe and efficient as possible. Because the trucking industry is interstate in nature, there must a strong Federal role. Only through an active Federal presence is it possible to effectively assure the operating safety of the thousands of small companies with a diversity of operations from coast to coast. Past efforts by state and local officials have resulted in instances of no controls on truck operations in some locales and excessive, conflicting limitations on truck transportation in others. Such instances adversly impact the safety of truck operations, efficiency of service, and improvements in technology.

Unlike all other major commercial modes of transportation which are the major responsibility of a modal administration within DOT, motor carrier functions are a minor responsibility of the Federal Highway Administration. The Federal Highway

Administration (FHWA) is charged with the responsibility of administering a $13 billion highway construction program. Of FHWA's total program, less than one half of one percent of it deals with motor carrier issues. In other words, motor carriers are not a major focus within the FHWA.

Motor carrier issues within FHWA are carried out by an Associate Administrator for Motor Carriers. According to the Secretary of Transportation, the Associate Administrator:

> serves as the primary focal point in DOT for contacts with representatives of the motor carrier industry on all motor carrier transportation matters. This official is also instrumental in proposing new and revised legislation and in developing rules, policies, and procedures to carry out the Department's responsibilities for motor carrier transportation.

Although the Associate Administrator plays a role in how motor carrier issues are addressed, the position is clearly not as senior a point of access as an Administrator would be. He is not subject to Senate confirmation. Moreover, the Associate Administrator for Motor Carriers is just one of 34 Associate Administrators in the Department

of Transportation. We believe our industry merits the full time consideration of a top level appointee in the Administration.

While the existing structure may provide a temporary relief under the current Administration, we believe that could readily change. In large part, the recent attention to motor carrier issues has been the result of personal interest by Secretaries Dole and Burnley of DOT and Administrators Barnhart and Farris of the FHWA.

DOT believes that by establishing the Associate Administrator for Motor Carriers position, they are successfully addressing the principal concerns of the Congress, the motor carrier industry, and others concerning the administration of the agency's motor carrier and motor carrier safety programs. We do not agree. Without a separate modal administration, the views of competing modes will always dominate motor carrier issues and potential motor carrier problems and prospective solutions will not receive adequate attention.

History is replete with examples of how motor carrier issues have received less than adequate attention, including:

- Trade negotiations,
- Truck research,
- Overweight foreign containers,
- Access for larger, wider vehicles,
- Size and weight issues,
- Highway cost allocation studies, and
- Future technological issues.

The U.S. trucking industry was not given the opportunity for input or representation at meetings between Canadian and U.S. officials to resolve transportation problems. A modal administration would have been made more aware of the problems facing the industry and been in a better position to deal with the Canadians on those issues.

Trucking research is scattered throughout DOT. Much of what had been called "truck research" is really pavement oriented. FHWA has requested research funding of $20 million for FY 1988. Of this amount, less than 2 percent ($330,000) is for motor carrier research purposes. This division of research funding is out-of-line with the nation's commercial expenditures for motor carrier transportation which are well above $215 billion annually.

For the past year, we have sought an FHWA program to fund development of a seminar to educate fleet safety supervisors for small companies of recent changes in Federal safety laws. Not withstanding the fact our industry pays less to support the Federal-aid highway program to the tune of $11 million per day, we have been unable to get this much needed safety program on DOT's research agenda. In addition, there should be a master truck research plan, similar to the research plans of the Federal Railroad Administration and the Federal Aviation Administration.

One of the major issues facing motor carriers engaged in port services is the problem of transporting overweight foreign containers. FHWA sees its role in this issue as one of protecting the highways from overloaded containers. It does not see its role as one of protecting the local drayage operators from overweight fines on containers over which the truckers have no control. Furthermore, the Agency does not see its role as establishing competitive equity between domestic shippers, who adhere to U.S. weight limits, and foreign shippers who do not. Finally, FHWA does not foresee a role or responsibility for the agency in reconsidering U.S. weight limits in view of the higher, more productive limits that exist overseas and in Canada.

Until recently, FHWA was reluctant to resolve the problems of access of vehicles authorized by the Surface Transportation Assistance Act of 1982 to terminals and customer locations. The states are FHWA's best clients in the field of highway construction and maintenance, and so a close rapport between the Agency and the states has been established. It is understandable that FHWA wishes to maintain this good relationship with the states and avoid confrontations whenever possible. However, this leaves the trucking industry without adequate representation in DOT for its interests. As a result, the trucking industry was forced to deal with a national access issue on a costly and time consuming state-by-state basis, seeking legislative, regulatory and judicial relief. At the Federal level, the only alternative for motor carriers was to seek productivity legislation in the Senate and House to eliminate unreasonable restrictions.

Size and weight limits are a constant source of conflict between FHWA and motor carriers. As a builder and maintainer of highways, FHWA has demonstrated a bias against benign changes to size and weight laws. While the trucking industry seeks to compete better in a worldwide economy, FHWA is more prone to ignore the worldwide competitive aspects and potential benefits for American shippers.

Consistent with the division of its budget, FHWA has generally favored roadway interests at the expense of motor carriers. For example, FHWA has selected a highway cost allocation method detrimental to motor carrier interests. While a Motor Carrier Administrator would not be expected to always side with the trucking industry, that voice would interject objectivity where there is now a highway construction bias. In addition, it could mitigate the Federal Railroad Administration's active role of consistently and persuasively advocating higher highways taxes for the trucking industry.

Compliance with provisions in the Clean Air Act in the 1990's will mix new fuels and unproven and potentially unsafe technologies with restrictions on urban access, ultimately costing motor carriers millions of dollars and restructuring the distribution of goods in major cities. Unfortunately, FHWA does not believe that the problems facing the industry in this area are its concern.

By comparison, the Federal Railroad Administration is very aggressive concerning its role of Federal leadership for the railroad industry. FRA's Office of Policy "conducts internal studies dealing with traffic, economic forecasting, financial condition, and other factors that contribute to an efficient railroad network."

The FRA policy support function "provides for the development of policies designed to promote the railroad mode within the transportation sector." [emphasis supplied]

A recent filing with the Interstate Commerce Commission shows another dimension of the problem faced by motor carriers. The issue deals with the acquisition of a trucking company (Overnite Transportation) by a railroad (Union Pacific). The DOT comments included the views of DOT's Federal Railroad Administration. But, according to DOT's own brief, FHWA did not have a similar role. Thus, DOT's position on a matter affecting both modes was dictated by the mode with its own Administrator.

The motor carrier industry does not begrudge the advocacy role played by the modal administrations for the rail, air, and maritime industries. We believe, however, that there must be equitable treatment for motor carriers through establishment of a Motor Carrier Administration.

Creation of a Motor Carrier Administration will end one of the ironic subsidies currently taking place in transportation. While the motor carrier industry pays for the safety grant programs of the other modal administrations, the other modes do not pay for the motor carrier safety grant programs within FHWA. Funds for the other modal administrations safety programs come from general revenue, paid for by all transportation companies,

including motor carriers. They are not paid for funds coming soley from the industry. In contrast, the Office of Motor Carriers safety grant programs are financed out of the Highway Trust Fund, with user fees paid by only motor carriers and other highway users.

In summary, while FHWA does have an Associate Administrator for Motor Carriers, the areas of interest are limited and usually directly related to roadways. What is lacking is a systematic approach to the motor carrier industry. Creation of a Motor Carrier Administration would allow the DOT to take a big picture approach to the nation's biggest mode.

III. THE STRUCTURE OF A MOTOR CARRIER ADMINISTRATION

The mission of a Motor Carrier Administration would be to:

1. Create equity among transportation providers in the Department of Transportation;

2. Facilitate truck and bus operations to benefit shippers and the public interest now and in years to come;

3. Fulfill the purposes of the Department of Transportation Act relative to transportation policy, technological development, transportation safety, protecting the environment, improving transportation systems, and protecting consumer interests; and

4. Provide comprehensive motor carrier research, planning and programming that will enable Congress and the Federal government to make well-founded and properly directed legislative and regulatory decisions.

A Motor Carrier Administration is needed to deal with the numerous issues which arise from motor carrier operations and which must be dealt with effectively by the Federal government and the Congress. Such issues include: productivity; safety; hazardous materials transportation; size and weights of vehicles; environmental protection; and taxation.

These issues can be dealt with more effectively and more efficiently through a Motor Carrier Administration. Such an Administration would be relatively the same size as the Urban Mass Transportation Administration (with an authorized strength in 1987 of 443). It would provide better access to information, data bases, research results and technology transfer.

A Motor Carrier Administration can be established at a minor cost estimated at $2.4 million by the General Accounting Office. The majority of the cost of establishing a Motor Carrier Administration is accounted for by activities which are now in other DOT units.

However, I must emphasize again the industry's opposition to the implications of Section 3 of S. 747 -- the removal of ICC motor carrier economic regulations functions and assigning them to the Motor Carrier Administration. The review that is mandated by Section 3 would entangle the bill in the reregulation/deregulation issue. This bill must not be encumbered with economic issues that are outside the scope of DOT's existing functions.

ATA strongly recommends that Section 3 of S. 747 be deleted. The companion bill in the House, H.R. 3569, does not contain the provision and we have no reason to believe an effort will be made to amend H.R. 3569 to include it. We hope that when the bill emerges from the Conference, Section 3 will not be a part of the Conference Report.

I wish to express support for the provision of S. 747 which states that the authority to promulgate motor vehicle safety standards applicable to the manufacture of trucks and buses shall remain in the National Highway Traffic Safety Administration.

It is equally important that the current hazardous materials functions within DOT not be disturbed. The development and interpretation of regulations should remain with the Research and Special Programs Administration, while enforcement would be a part of the Motor Carrier Administration. This arrangement allows representation of all modes of transportation in the rulemaking activities along with shippers and container manufacturers. It allows, also, for the educational and enforcement activities to be carried out by the modal administrations in conjunction with their ongoing regulatory programs for their respective modes.

IV. CONCLUSIONS

It is important to re-emphasize that the Department of Transportation is not now properly organized to provide Federal leadership that is needed to assure safe, efficient and productive motor carrier transportation.

A Motor Carrier Administration is needed within DOT to assure a concentration of effort on motor carrier issues that affect the public interest, as well as the interests of shippers and motor carriers.

A study by the General Accounting Office of the costs of a Motor Carrier Administration has estimated that the additional administrative costs associated with a Motor Carrier Administration would be approximately $2.4 million annually. This is far less than the cost to DOT of managing air, water and transportation matters for one hour.

There is every reason for passage of S. 747 with the changes that we have proposed. We strongly urge its approval.

COALITION MEMBERS

LEGISLATION FOR A MOTOR CARRIER ADMINISTRATION

American Bus Association
Contact: Susan Perry, VP, Congressional
1025 Connecticut Ave. N.W.,
Washington, D.C. 20036
202-293-5890

American Petroleum Institute
Contact: P. Richard Long, External Liaison Representative
1220 L Street, N.W.
Washington, D.C. 20005
202-682-8283

American Pulpwood Association, Inc.
Contact: Ken Rolston, President
1025 Vermont Ave. N.W., Suite 1020
Washington, D.C. 20005
202-347-2900

American Retreaders Association
Contact: Roy Littlefield, Dir., Govt. Affairs
15900 Pinecroft Lane
Bowie, MD 20716
301-577-2875

American Trucking Associations, Inc.
Contact: Will Johns, Mng Director
Technical Services
2200 Mill Road
Alexandria, VA 22314
703-838-1840

Food Marketing Institute
Contact: Robert Aders, President
1750 K Street, N.W.
Washington, D.C. 20006
202-452-8444

Motor Vehicle Manufacturers Association
Contact: Thomas H. Hanna, President
300 New Center Building
Detroit, MI 48202
313-872-4311

National Association of Truck Stop Operators
Contact: Ron Zeigler, President
1199 N. Fairfax St., Suite 801
Alexandria, VA 22314
703-549-2100

National Automobile Dealers Assn.
American Truck Dealers Division
Contact: James H. Westlake, Director
8400 Westpark Drive
McLean, VA 22102
703-821-7000

National Council of Farmer Cooperatives
Contact: Tom Van Arsdall, V. P.
50 F St. N.W.
Washington, D.C. 20001
202-628-6676

National Farmers Union
Contact: Robert Mullins, Director
600 Maryland Ave. S.W., Suite 202
Washington, D.C. 20024
202-554-1600

National Grange
Contact: Robert Frederick, Leg. Dir.
1616 H St. N.W.
Washington, D.C. 20006
202-628-3507

National Safety Council
Contact: Charles A. Hurley, Exec. Dir.
Federal Affairs
1050 17th Street, N.W., Suite 770
Washington, D.C. 20036
202-293-2270

Owner-Operators Independent Drivers Association
Contact: James J. Johnson, President
P.O. Box 88
Oak Grove, MO 64075
816-229-5791

Service Station and Automotive Repair Assn.
Contact: Roy Littlefield, Exec. Dir.
15900 Pinecroft Lane
Bowie, MD 20716
301-577-2875

Towing and Recovery Association
Contact: Michael P. McGovern
Executive Director
P. O. Box 2517
Winter Park, FL 32790
305-788-6909

Trucking Industry Alliance
Contact: Stan Keel, Coordinator
c/o Rockwell Automotive Operations
2135 West Maple Road
Troy, MI 48084
313-435-1172

Truck Trailer Manufacturers Assn.
Contact: Charles Calvin, President
1020 Princess St.
Alexandria, VA 22314
703-549-3010

United Bus Owners of America
Contact: Wayne Smith, Exec. Dir.
1275 K Street, N.W., Suite 800
Washington, D.C. 20005
202-484-5623

United Fresh Fruit and Vegetable Assn.
Contact: Claudia Fuquay, Dir. Congr. Relations
727 N. Washington St.
Alexandria, VA 22314
703-836-3410

as of 07/87

TESTIMONY OF

RICHARD HENDERSON
EXECUTIVE VICE PRESIDENT

PRIVATE TRUCK COUNCIL OF AMERICA, INC.
2022 P STREET, N.W.
WASHINGTON, D.C. 20036
(202) 785-4900

BEFORE THE

ENVIRONMENT AND PUBLIC WORKS COMMITTEE
OF THE UNITED STATES SENATE

APRIL 13, 1988

PRIVATE TRUCK COUNCIL
OF AMERICA, INC.
2022 "P" STREET, N.W. • WASHINGTON, D.C. 20036
(202) 785-4900

I am Richard D. Henderson, Executive Vice President of the Private Truck Council of America, Inc.("PTCA"). We very much appreciate the invitation by this Committee to testify with respect to the need to establish a Motor Carrier Administration within the Department of Transportation.

PTCA is an independent national organization representing the interests of companies who engage in non-transportation primary businesses, but who also operate private truck fleets pursuant to and in furtherance of their non-transportation endeavors. We represent approximately 1800 member companies comprising a cross-section of manufacturing, processing and retailing industries that include a substantial number of Fortune 500 companies as well as many small concerns. Trucks transport 75% of the nation's total freight, and private carriage accounts for 2/3rds of that. In short we are the other voice of the trucking industry.

PTCA has always been opposed to the creation of a Motor Carrier Administration within the Department of Transportation. In this era of cost-cutting and need to streamline and make more productive the functioning of government at all levels, it just does not make sense to create another agency or department of government.

The reason is that we already have an Office of Motor Carrier Administration within the Federal Highway Administration which within the last year particularly has served the needs of commercial motor carriers quite well.

In preparing for this hearing I happened to review a briefing paper prepared by another association in the trucking industry several years ago in which it outlined what it considered a very pressing need for the creation of an NCA.

I must admit that at the time, this paper raised some very cogent points. But even then we felt the nucleus was already present within the Department of Transportation to accomplish the objectives laid out in the briefing paper.

Actually, Mr. Chairman, the discussion and dialogue about such a new agency at that time was ironically, I believe, the catalyst for the reorganization of the old Bureau of Motor Carrier Safety and a better functioning entity today within the Federal Highway Administration headed by a new Associate Administration for Motor Carriers.

Safety has finally received the priority it deserves under the motor carrier state safety assistance program, the new safety review and audit programs, and efforts to implement the new Uniform Commercial Driver's License Law. I might add that Congress is to be commended for authorizing and funding these programs.

The process of safety rulemaking is proceeding on a much better timetable than in past years.

Also, for the past two years the Federal Highway Administration has worked with the National Governors' Association to develop and implement a set of recomendations designed to simplify state regulations on truck taxes and regulations. These and other activities are spelled out in some detail in a document titled, "Motor Carrier Activities by the Federal Highway Administration" published in March of 1988. A copy of that is attached to our testimony and I respectfully ask that it be included in the record.

The Federal Highway Administration, under the leadership of Robert Farris, the Administrator and Richard Landis, the Associate Administrator for Motor Carriers, is making great progress.

I must caution that the problems of the trucking industry both on the private side and on the for-hire side are immense and there are no quick solutions. We are finally beginning to see a slight dent in the accident statistics primarily due to increased roadside inspections, the new driver's license law, and the safety audit review program. But it is a beginning.

There is still much for us to do within the industry, but we are trying.

And as long as the Senate Environment and Public Works Committee protects our Highway Trust Fund and ensures a good highway program, then I think we will all succeed.

Thank you very much.

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JOHN H. GIBBONS
DIRECTOR

Congress of the United States
OFFICE OF TECHNOLOGY ASSESSMENT
WASHINGTON, DC 20510-8025

May 10, 1988

The Honorable Quentin N. Burdick
Chairman
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510-6175

Dear Mr. Chairman:

I am pleased to respond to your and Senator Stafford's request for comment on the effect on the highway system of creating a separate Motor Carrier Administration within the Department of Transportation. Attached please find a memorandum prepared for me by Ms. Edith Page, of OTA's transportation staff, discussing the issues surrounding this subject.

As project director for a study of motor carrier safety in a competitive environment, Ms. Page has become familiar with the impacts of longer and wider trucks on highway safety and on roadway design and conditions. The study considers trucks and highways as separate, interactive components of the transportation system. I hope you find the memorandum helpful. If you need further information, please don't hesitate to call me or Ms. Page at 8-6939.

Sincerely,

John H. Gibbons

Attachment

OTA STAFF MEMORANDUM

May 4, 1988

TO: Jack Gibbons

THRU: John Andelin
Nancy Naismith

FROM: Edith Page

As you requested, I have reviewed the testimony on shifting responsibility for motor carrier safety to a new Motor Carrier Administration, given before the Senate Committee on Environment and Public Works. The testimony is directly pertinent to our work on the current transportation project, Gearing Up for Safety: Motor Carrier Safety in a Competitive Environment. For this project, OTA analyzed and evaluated heavy truck accident data from 1981-1985. We also studied the design requirements for highways, including the interstate system, and the characteristics of heavy trucks.

Our research confirms that the present highway system, including the interstate system, was basically designed for automobiles. When trucks were considered, the vehicle used as a design standard was a tractor with a 40 foot trailer. Because of the longer, wider trailers and heavier vehicles allowed under the Surface Transportation Assistance Act, many trucks now on the highway far exceed these design parameters. Thus the curve designs, passing distances, speed warning signs, etc., that currently characterize our highway system, create situations in which the larger dimensions and greater weight of heavy trucks provide accident opportunities, even on parts of the interstate system, which were never foreseen. In many cases, these accidents cause damage to highways or access ramps in addition to personal injuries or vehicle damage.

The discrepancies between larger combination vehicles and highway design standards do not always pose problems on the interstate system, particularly in the west. However, as we think ahead to renewing the interstate system, it is important to consider changes to the design standards to provide for large, heavy trucks. Changing the design standards and reconstructing the entire highway system to accommodate larger vehicles is not feasible in the near future, however. It would be prohibitively expensive in urban areas, especially those that are heavily built up, and adequate land is not readily available. Thus Congress will want to ensure that the governmental bodies responsible for trucks and highways each consider the capabilities and limitations of all parts of the transportation system.

The results of OTA's accident data analysis, confirmed by a separate analysis by the National Highway Traffic Safety Administration, show that accidents involving heavy trucks increased substantially over the four-year period between 1981 and 1985. While vehicle miles traveled increased over that time period, the increase was somewhat smaller. Data limitations and the scope of our study did not permit us to go into detailed

analysis that could shed light on why there was a disproportionate increase in accidents, but several factors could have had an impact. First, there is increased congestion on the roads, providing more opportunities for accidents, especially in large urban areas. A second factor could be the increase in the number of larger trucks in standard use on highways designed for smaller vehicles. A third factor, difficult to quantify, could be changing distribution patterns as industries adjust to just-in-time delivery patterns and trucking deregulation.

OTA's work on heavy truck accidents provides initial analysis of issues that have tremendous significance as Congress begins to prepare for considering new highway legislation as the interstate system is completed. It is important that the ground broken in this study of the central issues of truck size and weight and their interaction with the road system be explored further, before additional legislative action is taken.

Regardless of the reason for the increase in accidents, however, OTA's study strongly supports the importance of considering matters related to truck operation and design and highway design, construction, and maintenance, concurrently and in an integrated way. Removing responsibility for motor carrier operations from the Federal Highway Administration and placing it in a separate organization does not lend itself to an integrated approach to these issues.

AMERICAN BUS ASSOCIATION

1025 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20036 (202) 293-5890

Norman R. Sherlock
President and
Chief Executive Officer

April 13, 1988

Honorable Quentin Burdick, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Chairman Burdick:

On behalf of the American Bus Association, I would appreciate your making this statement part of the hearing record on S.747, a bill to establish a motor carrier administration in the Department of Transportation.

ABA is the national trade association of the intercity bus industry. Our members include approximately 700 bus companies who provide intercity, regular route, charter and tour, express commuter, and airport bus service.

One of ABA's highest priorities is to promote safe bus operations on our nation's highways. We believe that enactment of S.747 and establishment of a motor carrier administration would enhance federal safety regulations. By removing them from a Federal Highway Administration office and giving them a modal place of their own, the focus on effective motor carrier safety would be increased. Also, a motor carrier administration would provide a structure within which the motor carrier safety legislative mandates of the last five years could be carried out effectively.

This new modal administration would provide a "home" within DOT for coordination of truck and bus functions. Within this "home," we would recommend that there be a separate office devoted solely to bus issues including the promulgation of appropriate bus safety regulations and the proper implementation of those regulations. We have had a longstanding and ongoing problem of getting regulators and other officials to recognize that a bus is not a truck whose cargo just happens to be people! The bus industry is a separate indusry with unique problems and requirements. It needs, therefore, special attention separate from other motor carriers.

Mr. Chairman, in summary:

1. The ABA supports S.747 and the establishment within DOT of a motor carrier administration; and

2. We advocate within such a modal administration a separate office for bus from truck.

Thank you for your consideration of these views. I would be happy to provide any further information you might want and/or to answer any questions you may have.

Kindest regards,

Norman Kerbock

cc: Honorable Daniel P. Moynihan
Honorable George J. Mitchell
Honorable Max Baucus
Honorable Frank R. Launtenberg
Honorable John B. Breaux
Honorable Barbara A. Mikulski
Honorable Harry Reid
Honorable Bob Graham
Honorable Robert T. Stafford
Honorable John H. Chafee
Honorable Alan K. Simpson
Honorable Steven D. Symms
Honorable David Durenberger
Honorable John W. Warner
Honorable Larry Pressler

NAPA
National Academy of Public Administration
Chartered by Congress

May 18, 1988

Honorable Quentin N. Burdick
United States Senate
Chairman, Committee on Environment
and Public Works
511 Hart Senate Building
Washington, D.C. 20510-0401

Dear Mr. Chairman:

This is in response to the letter of April 13, 1988 addressed by you and Senator Robert T. Stafford to Roger L. Sperry requesting the views of the National Academy of Public Administration on S. 747, a bill to establish a separate Motor Carrier Administration in the Department of Transportation. Ray Kline, President of the National Academy of Public Administration, has asked that we respond to your request. The views expressed in this letter are our own and do not necessarily reflect those of the National Academy of Public Administration. Our comments on the proposed reorganization are based on our roles in the establishment and administration of the Department of Transportation and in the development of the organizational concepts underlying the Department of Transportation Act of 1966.

When it enacted the Reorganization Act of 1949 the Congress declared it to be the "policy of the United States" that executive branch agencies should be organized "as nearly as may be, according to major purpose." The concept of organization according to major purpose was endorsed by the Hoover Commissions and virtually every subsequent study of executive branch organization. It was reflected in the Department of Transportation Act and the modal administrations provided for by that legislation.

The Federal Aviation Administration was not created to represent just air carriers or airport operators. It was designed to deal with aviation as it relates to and is an integral element of our national transportation system. In the same way the Federal Railroad Administration was not designed to represent only the railroads, railroad passengers, or shippers, nor was the Federal Highway Administration intended to deal only with highway design and construction.

We believe that it would be a serious error to depart further from the generally accepted organizational doctrine reflected in the original structure of the Department of Transportation and to fragment the modal administrations to provide representation in the Department for special transportation interests. It is argued that creation of a separate Motor Carrier Administration is necessary to "create equity among transportation providers in the Department of Transportation", and to assure that the trucking industry "has an equal voice in DOT." While we agree that the interests of the trucking industry should be taken into account in establishing and administering national transportation policies and

1120 G Street, N.W., Suite 540 Washington, D.C. 20005 (202) 347-3190

programs, we are convinced that this can be done effectively without fragmenting further the Department's present structure. If a motor carrier administration is established to represent motor carriers, then the same logic would dictate that separate organizations be created to represent other special transportation users or clients such as airport operators, air carriers, or small boat owners.

The original Department of Transportation contained only four modal administrations and a St. Lawrence Seaway Development Corporation. The addition of mass transit and maritime shipping functions subsequently increased the number of administrations to six. The splitting off of the National Highway Traffic Safety Administration from FHWA and the creation of a Research and Special Programs Administration have produced a Department consisting of eight administrations and one corporation. The creation of a separate Motor Carrier Administration would further fragment the Department, add to the coordination burdens of the Secretary and divide functions originally consolidated in the FHWA among three administrations.

The entire motor carrier program of the Department of Transportation is administered by about 440 employees. To place such a small entity on the same organizational level as the FHWA, the FAA or the Coast Guard could isolate rather than strengthen the leadership of motor carrier activities. What is needed is to retain FHWA as a genuine modal administration, not to disperse and weaken the elements of DOT concerned with highway transportation.

It may be that the current motor carrier program needs strengthening, but we submit that this can best be done by more nearly matching staffing and appropriations with the job to be done. An organizational change of the kind proposed in S. 747 would simply add to administrative overhead while contributing nothing to program effectiveness.

Please let us know if we can be of further assistance on this matter.

Sincerely,

Harold Seidman

Alan L. Dean

HS-S747/ttt

Regular Common Carrier Conference
2200 Mill Road, Alexandria, Virginia 22314 / (703) 838-1967

George Zipch, Chairman
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Springfield, Missouri
Urban R. Haas, Immediate Past Chairman
Dubuque, Iowa
James C. Harkins, Executive Director
Alexandria, Virginia
703 838-1972

April 15, 1988

Honorable Steve Symms
Senate Environment and
Public Works Committee
410 Dirksen Building
Washington, DC 20510

Dear Senator Symms:

Last year when the Senate Commerce, Science, and Transportation Committee held hearings on S.747, the Regular Common Carrier Conference submitted testimony on the bill. The RCCC would like to submit this statement to the Senate Environment and Public Works Subcommittee on Water Resources, Transportation and Infrastructure to be included in the record of your hearings on the subject.

Sincerely,

James C. Harkins

JCH/msfd

Enclosure

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON COMMERCE,

SCIENCE AND TRANSPORTATION

STATEMENT OF THE

REGULAR COMMON CARRIER CONFERENCE

HEARINGS ON S. 747

A BILL TO ESTABLISH A
MOTOR CARRIER ADMINISTRATION
IN THE DEPARTMENT OF
TRANSPORTATION

Submitted by:

JAMES C. HARKINS
Executive Director
REGULAR COMMON CARRIER CONFERENCE
Suite 350
2200 Mill Road
Alexandria, Virginia 22314

DATE: JULY 15, 1987

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON COMMERCE,

SCIENCE AND TRANSPORTATION

STATEMENT OF THE

REGULAR COMMON CARRIER CONFERENCE

HEARINGS ON S. 747

A BILL TO ESTABLISH A
MOTOR CARRIER ADMINISTRATION
IN THE DEPARTMENT OF
TRANSPORTATION

I. INTRODUCTION

Mr. Chairman and members of the Senate Committee on Commerce, Science and Transportation, the Regular Common Carrier Conference (RCCC) appreciates the opportunity to submit this statement on behalf of the general freight trucking industry on S. 747.

This bill would create a Motor Carrier Administration (MCA) within the United States Department of Transportation (DOT). It would perform functions similar to those carried out by the Administrations which oversee the rail, air and other transportation modes. It would reorganize and consolidate within the Motor Carrier Administration the trucking and bus functions that are currently spread throughout DOT. Therefore, it would provide a more coherent, efficient structure for DOT to fulfill its transportation responsibilities relating to truck safety, productivity, research, planning and environmental and consumer protection. An Administrator appointed by the President would oversee and coordinate these functions, as well as other duties

delegated by the Secretary of Transportation, with one exception. The National Highway Traffic Safety Administration would retain authority over motor vehicle safety standards applicable to the manufacture of trucks and buses. In addition, Section 3 of the bill requires the Secretary of Transportation and Chairman of the Interstate Commerce Commission (ICC) to review and make recommendations to Congress regarding ICC activities which could be performed more efficiently by the Motor Carrier Administration.

II. SUMMARY OF POSITION

The RCCC supports the creation of a Motor Carrier Administration because it will promote truck safety, productivity, and research to the benefit of the nation. It will further long range truck transportation planning and provide the mechanism for a true working partnership between the federal government and the trucking industry.

We oppose, however, Section 3 of the bill and recommend its deletion. This provision is inconsistent with, and outside the scope of, the objectives of providing the motor carrier industry with representation equal to that enjoyed by the other modes and reorganizing the functions within DOT to more efficiently achieve its transportation objectives. Section 3 is a mechanism through which regulatory functions currently performed by the ICC, an independent agency accountable to Congress, may be transferred to DOT, which is accountable to the Executive Branch. It would result in motor carrier regulatory decisions being made for political and philosophical reasons, rather than being based on sound economic and transportation justifications. Since the current Administration and DOT have endorsed legislation to deregulate the trucking industry, it would be

inappropriate to entrust DOT with those regulatory functions currently performed by the ICC.

The RCCC shares the interests of Congress in ensuring that any new administration not perform duplicative functions. However, this goal can be achieved simply by requiring DOT to review the functions of the Motor Carrier Administration to ensure that they do not duplicate existing ICC functions.

III. IDENTIFICATION

The RCCC is a national trade association for the general freight trucking industry which represents approximately 500 trucking companies that transport general commodities throughout the United States under operating authority granted by the Commission. These trucking companies operate principally as motor common carriers transporting truckload and less-than-truckload shipments for shippers under rates on file with the Commission. The RCCC trucking companies serve the needs of a substantial portion of the general freight shippers and receivers throughout the country.

These general freight carriers operate hundreds of thousands of tractors and trailers, employ more than 300,000 workers and have annual revenue of approximately $18 billion.

We support the creation of a Motor Carrier Administration because it will promote truck safety and productivity to the benefit of all.

IV. THE CREATION OF A MOTOR CARRIER ADMINISTRATION IS IN THE PUBLIC INTEREST

There is a serious need for the creation of a Motor Carrier

Administration that can efficiently and timely handle the important federal duties of promoting truck safety, productivity, environmental protection and research. Currently these functions are dispersed throughout DOT which makes it difficult for the industry, government and public to obtain the necessary input and information.

A Motor Carrier Administration would create a partnership between the trucking industry and the federal government in the development of national transportation policies. That is unfortunately not the situation today. For example, the trucking industry has been denied input and representation by DOT in its meetings with Canada to resolve transborder trucking problems. The lack of a Motor Carrier Administrator has also meant that the trucking industry's major concerns with safety, productivity and taxation are handled by a department, the Federal Highway Administration (FHWA), whose main responsibility and interest lies in highway construction and maintenance. Consequently our objectives receive lower priority. An adversarial relationship sometimes develops. For example, for several years FHWA has refused to take affirmative action to require some recalcitrant states to comply with the Surface Transportation Assistance Act of 1982 which allows longer and wider vehicles to operate on our Interstate Highway System and to make pick-ups and deliveries. It has failed to adopt regulations that would resolve the matter. Since the states are FHWA's best clients in the field of highway construction and maintenance, the trucking industry's concerns often take a back seat. The trucking industry and FHWA disagree on how to fairly allocate the costs for highway construction and repair. The highway construction viewpoint repeatedly has prevailed over the

highway users interests. A Motor Carrier Administrator, who would examine the larger picture, would give the industry a more objective decisionmaker. Such a result is in the interests of the nation. To the extent the industry increases its productivity, the consumers benefit from lower transportation costs.

A Motor Carrier Administration would also provide a better forum for truck research and development. For fiscal year 1988, FHWA has requested research funding of $20 million. Yet less than two (2) percent of that is for truck research - notwithstanding that the trucking industry is the largest transportation mode. By comparison, the Federal Railroad Administration provides aggressive federal leadership for the rail industry. Its Office of Policy routinely conducts traffic studies, economic forecasts, financial analyses and other research designed to assist that industry. Indeed, its stated objective is to provide "for the development of policies designed to promote the railroad mode within the transportation sector".

The trucking industry is the only major transportation mode that lacks an administration within DOT. The Administration structure within DOT has worked effectively for the rail, air and water industries; it should also do so for the trucking industry. It is important to emphasize that a Motor Carrier Administration will not create a costly, additional buresaucracy. It is projected to cost approximately two million dollars a year. The reorganization of functions should avoid and save some administrative expenses.

The RCCC recommends that the Motor Carrier Administration be authorized to perform all the functions now handled by the Office of Motor Carriers. They include the Motor Carrier Safety Assistance

Program, the size, weight and length provisions of the Surface Transportation Assistance Act of 1982, the safety responsibilities under the Motor Carrier Safety Act of 1984, and the recent commercial driver's license program. See, 49 U.S.C. §§ 23,25 & 27. We agree with the bill's proposal to retain National Highway Traffic Safety Administration's jurisdiction over motor vehicle safety standards applicable to the manufacture of trucks and buses. Moreover, we recommend that the functions now performed by the Research and Special Program Administration be retained because it performs a multimodal function.

V. CONGRESS SHOULD NOT ENDORSE A TRANSFER OF ICC FUNCTIONS TO DOT

The RCCC respectfully recommends that Section 3 of the bill be deleted. Section 3 provides that within six months after enactment, the Secretary of Transportation and ICC Chairman shall review all the activities performed by the ICC and make recommendations to Congress regarding which functions should be transferred to the Motor Carrier Administration.

The objective behind this provision is unclear. If, on the one hand, it is designed to avoid a costly, inefficient duplication of functions by the ICC and the MCA, this objective can be accomplished simply by requiring the Secretary of DOT to review all the MCA functions to ensure they do not overlap with current ICC functions, or for that matter, the functions of other departments within DOT. The RCCC wholeheartedly supports the efforts of Congress to streamline administrative activities and eliminate wasteful, duplicative

functions. If that is the goal, it can be accomplished through this procedure.

On the other hand, since Section 3 can facilitate the transfer of ICC functions to DOT, it should not be adopted. As Congress is well aware, the ICC is an independent agency. It is more accountable to Congress than DOT, which is an agency of the Executive Branch. DOT has repeatedly introduced or endorsed bills to totally deregulate the trucking industry and sunset the ICC. Surely, it is unwise to enable a transfer of ICC functions to DOT when its steadfast position is that all the ICC regulatory functions should be abandoned. Section 3 puts the fox in charge of the chicken coop. Congress should continue to address the question of trucking regulation on its merits. It has bills pending that address this matter and on which all interested parties can comment.

As it stands, Section 3 can be used as a backdoor approach to administratively deregulate the trucking industry in violation of the Motor Carrier Act of 1980. For this reason, the general freight trucking industry recommends that Section 3 be deleted.

Respectfully submitted,

James C. Harkins
Executive Director
Regular Common Carrier Conference
Suite 350
2200 Mill Road
Alexandria, Virginia 22314

Date: July 15, 1987

II

Calendar No. 501

100TH CONGRESS
1ST SESSION

S. 747

[Report No. 100–264]

To establish a motor carrier administration in the Department of Transportation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 1987

Mr. HOLLINGS (for himself, Mr. BREAUX, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, Mr. EXON, Mr. GORE, Mr. ROCKEFELLER, Mr. PRESSLER, Mr. KASTEN, Mr. TRIBLE, Mr. NUNN, Mr. PRYOR, Mr. BUMPERS, Mr. HEFLIN, Mr. BINGAMAN, Mr. DECONCINI, Mr. SASSER, Mr. NICKLES, Mr. D'AMATO, Mr. REID, Mr. SHELBY, Mr. MELCHER, Mr. BYRD, Mrs. KASSEBAUM, Mr. CHILES, and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

DECEMBER 17 (legislative day, DECEMBER 15), 1987

Reported by Mr. HOLLINGS, with an amendment

[Insert the part printed in italic]

A BILL

To establish a motor carrier administration in the Department of Transportation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Congress finds that—

(1) within the Federal Government there is, for each mode of transportation (other than motor carrier), one organizational entity responsible for coordinating activities to ensure the safe and efficient operation of transportation by such mode;

(2) such coordination for motor carrier transportation has been lacking with regard to advising Congress, conducting research, planning and programming, and developing and integrating policies and programs within our total national transportation network;

(3) the establishment of a Motor Carrier Administration within the Department of Transportation will increase productivity and efficiency, and will provide cost savings resulting from the elimination of duplicative activities within the Federal Government;

(4) motor carrier safety is an area of increasing public concern, and the establishment of a Motor Carrier Administration would reflect the intent of Congress to give the highest priority to safety on the Nation's highways; and

(5) the Motor Carrier Administration will facilitate improved access and interaction among the Federal, State, and local governmental agencies, motor carriers, shippers, and the traveling public, thereby furthering the public interest.

SEC. 2. (a) Section 104 of title 49, United States Code, is amended—

(1) in subsection (c), by (A) inserting "and" immediately after the semicolon at the end of paragraph (1), (B) striking paragraph (2), and (C) redesignating paragraph (3) as paragraph (2); and

(2) by striking subsection (d).

(b)(1) Chapter 1 of subtitle I of title 49, United States Code, is amended by adding at the end thereof the following new section:

"§ 111. Motor Carrier Administration

"(a) The Motor Carrier Administration is an administration in the Department of Transportation.

"(b)(1) The head of the Administration is an Administrator who is appointed by the President, by and with the advice and consent of the Senate. The Administrator reports directly to the Secretary of Transportation.

"(2) The Administration has a Deputy Administrator who is appointed by the Secretary, with the approval of the President. The Deputy Administrator shall carry out duties and powers prescribed by the Administrator.

"(c) The Administrator shall carry out—

"(1) duties and powers related to motor carrier safety vested in the Secretary by chapters 5 and 31 of this title; and

"(2) other functions, powers, and duties of the Secretary relating to motor carriers prescribed by the Secretary, except for the authority to promulgate motor vehicle safety standards applicable to the manufacture of trucks and buses, which authority shall remain in the National Highway Traffic Safety Administration.

"(d) A duty or power specified in subsection (c)(1) of this section may be transferred to another part of the Department only when specifically provided by law or a reorganization plan submitted under chapter 9 of title 5. A decision of the Administrator in carrying out those duties or powers and involving notice and hearing required by law is adminstratively final.".

(2) The analysis for chapter 1 of subtitle I of title 49, United States Code, is amended by adding at the end thereof the following:

"111. Motor Carrier Administrator.".

(c)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator, Motor Carrier Administration, Department of Transportation.".

(2) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Administrator, Motor Carrier Administration, Department of Transportation.".

SEC. 3. Within six months after the date of enactment of this Act, the Secretary of Transportation, in consultation with the Chairman *and other members* of the Interstate Commerce Commission, shall—

(1) review all activities of the Interstate Commerce Commission which affect transportation by motor carriers, to determine which activities could be more efficiently performed by the Motor Carrier Administration; and

(2) transmit to the Congress the results of the review conducted under paragraph (1) of this section, together with such recommendations for legislation or other action necessary to achieve such efficiencies.

○